



# Agriculture Growing Rural Opportunities (AGRO) Activity in Ukraine Annual Progress Performance Report

## **Agriculture Growing Rural Opportunities (AGRO) Activity in Ukraine FY 2020 PROGRESS REPORT**

(November 15, 2019 - September 30, 2020)

Award No: 72012120CA00001

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## EXECUTIVE SUMMARY

The Agriculture Growing Rural Opportunities (AGRO) activity is an integrated agricultural and rural development activity that applies a market systems approach to accelerate the economic development of rural Ukrainian communities with the greatest need through a better governed agricultural sector that encourages more productive, modern, and profitable micro-, small-, and medium-sized agricultural enterprises (agri-MSMEs) that are successfully integrated into competitive markets both in Ukraine and internationally.

### A. Key Achievements

During the reported period, AGRO continued scaling and building on previous efforts of the USAID Agricultural and Rural Development Support Project (ARDS) project and rolled out new initiatives. Examples of key highlights are listed below.

*Value chains.* Continuing to build on ARDS efforts, AGRO supported Lebid Agro in piloting a calf-raising center (in 2019) to begin supplying meat to Silpo, Ukraine's leading supermarket chain, in late summer 2020. The supermarket paid above-market prices and ordered large volumes, which stimulated Lebid Agro plans to invest additional funds in the calf-raising center and double the number of bulls. AGRO plans to scale up the calf-raising center pilot experience to Eastern Ukraine.

AGRO Supported USPA FRUIT in expanding to new export markets for Ukrainian blueberry. The company was the first in Ukraine to test air shipment delivery of blueberries to Malaysia, Bahrain, and Singapore. The main purpose of the small batch deliveries (500 kilograms) was to test harvesting and packaging technologies that will allow Ukrainian berries to travel thousands of kilometers by air.

*Services.* AGRO had much success during this year in supporting emerging honeybee pollination services for fruit and vegetable producers by developing technical specifications and implementing a pilot project at Agrovesna to assess the effectiveness of bee pollination in raspberries. Additionally, AGRO developed a methodology and completed the first stage of research on an innovative method of transferring organic plant protection products by bees. When institutionalized and commercialized, these new supporting functions will help fruit and vegetable producers to improve orchard and field yields and product quality. AGRO partners with the Women Beekeepers' Foundation of Ukraine (WBFU) to support bee pollination services.

*Irrigation.* In partnership with the All-Ukrainian Agrarian Council (AUAC), Ukrainian Agribusiness Club (UCAB), and other associations and non-governmental organizations (NGOs), AGRO prepared the draft law (DL) On Water User Organizations and Stimulating Land Melioration and an Action Plan for the Irrigation and Drainage Strategy in Ukraine by 2030, and presented them to the Ministry for Development of Economy, Trade, and Agriculture (MDETA) Working Group on Irrigation. On October 1, in a meeting of the Coordinating Council on Irrigation Systems Resumption and Development, co-chaired by the Minister of Economic Development and the Minister of Environment, the Action Plan for the Irrigation and Drainage Strategy in Ukraine by 2030 was approved, including AGRO's proposals.

*Finance.* AGRO launched the campaign “Agricultural Fintech Month” in Fiscal Year (FY) 2020 Q4, which promotes the agricultural financial services sector among agri-MSMEs. The campaign develops video interviews with market experts and players, market overviews, and infographics, which are distributed via social media and web resources. AGRO continued to assist small farmers with access to finance, working to increase MSME access to the Government of Ukraine (GoU) State Program Affordable Loans 5-7-9%. With AGRO support, small farmers applied for loans of over 171 million hryvnia (approximately \$6.1 million).

*Land reform.* DL #2178-10 On Land Turnover was adopted on March 31, 2020. While the Parliament considered more than 4,000 amendments to the draft law, AGRO advocated and clarified it with the AUAC and the All-Ukrainian Association of Communities. AGRO continues to disseminate information about its content and benefits, along with the whole related package of land bills.

AGRO advocated and assisted the Verkhovna Rada Agrarian Committee to finalize Law #2370 On the National Infrastructure of Geospatial Data, adopted by the Verkhovna Rada on April 13, 2020<sup>1</sup>; and Law #2280, On Amendments to the Land Code of Ukraine and Other Legislative Acts Regarding Land-use Planning, adopted by the Verkhovna Rada on June 17, 2020<sup>2</sup>.

*Local capacity building/asset management.* Building on an initiative begun by ARDS, AGRO supported creating geoportals for 61 consolidated communities (CCs) during FY 2020. Each CC created a working group to consider future development of the CC’s territory. The Geographic Information System (GIS) maps on the geoportals and the working group discussions are the first steps in the ongoing development of integrated plans for each CC’s spatial development. AGRO also provided each of the CCs with computer equipment and GIS software to manage CC land. The CCs will be able to connect to the State Land Cadaster (SLC), download data on their geoportals, and manage community lands.

## B. Quantitative Highlights

AGRO fully achieved FY 2020 targets for four performance indicators and exceeded targets for four indicators. These are highlighted below:

№	PERFORMANCE INDICATOR	Reporting Frequency	Period Target	Period Actuals	Actual vs Target, %
1	Value in UAH of new private sector investment in USAID-assisted agricultural MSMEs, million	Annually	123	116	94%
8	Number of supported MSMEs accessing finance	Quarterly	100	177	177%
9	Number of agriculture and rural development-related rules and regulations advanced with USG assistance	Bi-annually	5	5	100%
11	Hectares of land opened for transparent public view with USG assistance, million hectares	Bi-annually	0.03	0.047	157%

<sup>1</sup> «Про національну інфраструктуру геопросторових даних», <https://zakon.rada.gov.ua/laws/show/554-20#Text>

<sup>2</sup> «Про внесення змін до Земельного кодексу України та інших законодавчих актів щодо планування використання земель», [http://w1.c1.rada.gov.ua/pls/zweb2/webproc4\\_1?pf3511=67111](http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=67111)

12	Number of communities implementing improved land management techniques as a result of USAID assistance	Bi-annually	60	61	102%
13	Percentage of female participants in USG-assisted programs designed to increase access to productive economic resources (GNDR-2)	Quarterly	45%	43%	96%
14	Percentage of women who report improved economic well-being at the household level as a result of USG assistance	Annually	10%	25%	250%
15	Percent of USG-assisted organizations with improved performance (CBLD-9)	Annually	25%	64%	256%

### **C. Activity Administration**

During the reporting period, AGRO added 39 full-time, long-term employees, including 24 who transitioned from ARDS. In addition, AGRO made a change in program leadership, in which previous Deputy Chief of Party Kseniya Sydorkina replaced Don Van Atta as the Chief of Party. The Deputy Chief of Party position will be filled during the next reporting period.

### **D. Subsequent Reporting Period**

AGRO prepared and submitted the FY 2021 Implementation Plan for approval and will move forward with implementation as outlined in the plan. AGRO intends to expand its operations in new value chains, such as aquaculture and confectionary, as well as intensify other focus areas.

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## ACRONYMS AND ABBREVIATIONS

AGRO	USAID Agriculture Growing Rural Opportunities Activity
AMP	Association of Milk Producers
AOR	USAID Agreement Officer's Representative
APS	Annual Program Statement
ARDS	USAID Agricultural and Rural Development Support Project
AUAC	All-Ukrainian Agrarian Council
BRCGS	British Retail Consortium Global Standard
CC	Consolidated Community
CLA	Collaborating, Learning, and Adapting
CMU	Cabinet of Ministers of Ukraine
COVID-19	Coronavirus disease 2019
DL	Draft Law
ECS	Environmental Compliance Specialist
EMMP	Environmental Mitigation and Monitoring Plan
ERC	Environmental Review Checklist
EU	European Union
EVI	Ecoventures International
FSSC	Food Safety System Certification
FY	Fiscal Year
GESI	Gender Equality and Social Inclusion
GIS	Geographic Information System
GLOBALG.A.P.	Global Good Agricultural Practices
GoU	Government of Ukraine
HACCP	Hazard Analysis and Critical Control Point
IEE	Initial Environmental Examination
IFS	International Featured Standards
IIP	Initial Implementation Plan
IMF	International Monetary Fund
ISO	International Standard
IT	Information Technology
MDETA	Ministry for Development of Economy, Trade, and Agriculture
MEL	Monitoring, Evaluation, and Learning
MSD	Market Systems Development
MSME	Micro-, Small-, and Medium-sized Enterprise
NBU	National Bank of Ukraine
NGO	Non-governmental Organization
NTWG	GLOBAL G.A.P. National Technical Working Group

RFA	Request for Applications
RFP	Request for Proposals
RFQ	Request for Quotes
SID	Society for International Development
SIF	Strategic Investment Fund
SLC	State Land Cadaster
SME	Small- and Medium-sized Enterprise
Toloka	Meet-up (in Ukrainian)
U-LEAD	EU Ukraine Local Empowerment, Accountability, and Development Program
UAH	Ukrainian Hryvnia
UCAB	Ukrainian Agribusiness Club
USAID	United States Agency for International Development
USD	United States Dollar
USG	United States Government
VC	Value Chain
WBFU	Women Beekeepers' Foundation of Ukraine
WUA	Water Users Association

## I. CONTEXT

The Coronavirus Disease 2019 (COVID-19) pandemic and the quarantine in response to it shaped the events of the year in Ukraine, as they did throughout the world. The quarantine, which began in March 2020 remains in place at the time of this report.

As a result, transport and travel of goods and people remains uncertain. Although the value chains (VCs) are adapting, supply and marketing channels remain in flux, and everyone has reduced their expenditures as much as possible because of uncertainty about the future.

AGRO was designed to work closely with the World Bank's Accelerating Private Investment in Agriculture Program. In April 2020, the World Bank welcomed the adoption by the Verkhovna Rada of a law on the circulation of agricultural land as a first step towards creating a transparent and efficient agricultural land market in Ukraine. In order to fully protect Ukrainians and ensure transparent land sales, the World Bank called for a number of additional laws to be enacted as soon as possible, and identified these reforms as critical to attracting investment in agriculture, opening access to finance for farmers, and ensuring fair value of assets for Ukrainian landowners.

On June 10, Roman Leshchenko, the Presidential Commissioner for Land Affairs, was appointed as a Head of the State Service for Geodesy, Cartography, and Cadastre. With the land market opening, the agency became key to further land reform. The State GeoCadastre announced restructuring of its administrative functions to focus on providing services and supporting the transfer of state lands to communal ownership of communities, which contributes to the implementation of the model of public land management and CC spatial planning, developed and supported by USAID.

On July 17, the Verkhovna Rada adopted a Resolution to reduce the number of rayons from 490 to 136, and their reorganization will begin after the local elections. To do this, the Verkhovna Rada must adopt a number of laws on the delimitation of powers and resources between oblasts and rayons, between rayons and communities, and so on. It is expected that there will be a transition period until mid-2021, to make the administrative-territorial structure change easier for people and ensure that the quality and availability of services provided at the rayon level do not decrease.

On September 5, 2020, the local elections process started in Ukraine. These are regular elections of local council members and village and city mayors, with the exception of elections in the temporarily occupied territories of the Autonomous Republic of Crimea, the city of Sevastopol, and in some territories of Donetsk and Luhansk oblasts. These changes are a challenge for AGRO, as they complicate conditions and increase tasks, but at the same time, create opportunities to advance reforms.



## II. KEY ACHIEVEMENTS

### Objective 1: Productivity and Market Access in Target Value Chains Improved

AGRO started FY 2020 with a rapid assessment to inform selection of target value chains. Based on the analysis, AGRO proposed continuing to work on the VCs that had been targeted by ARDS (fruit and vegetables, berries, meat, and milk) and to add three more: alternative poultry (other than chicken), fish and seafood, and confectionary products.

The rapid assessment helped AGRO to select eight target oblasts (Cherkasy, Poltava, Kharkiv, Dnipropetrovsk, Zaporizhzhia, Kherson, Mykolaiv, and Odesa) to focus on within its VC activities, and to finalize a list of over 70 fresh and processed products that AGRO deals with.



AGRO worked remotely throughout most of the year due to the COVID-19 quarantine, holding all major events on-line. Remote work has clear limitations, but it has also allowed AGRO to include people from a broader geographical area in individual events than would not have been possible within traditional conferences or demonstrations. AGRO's social media resources were also opened, allowing partners and others to get updates from the project directly and exchange their news and successes with each other.

The demand for and flow of information during the COVID-19 emergency sped up greatly. To cope with the fluid situation, the GoU and stakeholders had to react and adapt quickly to the rapidly changing environment, especially during the early days. AGRO maintained regular contact with partners in order to understand what was happening in the markets, to adjust existing activities to the extent possible, and to pivot and develop new activities for the evolving situation. AGRO's main observations include:

- The agriculture sector is impacted less than industrial sectors.
- Small producers who work in the shadow market have suffered the most.
- Safety issues and staff working conditions have become particularly important.
- Supply and marketing were severely disrupted during the quarantine and were restructured on the fly.
- Many regional online stores closed after the quarantine restrictions were removed. Existing online stores are not interested in farm food trading, except in Kyiv, which has better delivery infrastructure and more customers with higher incomes.
- Current expenses have been greatly reduced throughout the agri-food sector, including outsourced services.

- Exports have become more difficult due to protectionism and more difficult logistics.
- By the end of the FY, even though the COVID-19 incidence rate was still growing, people had gotten used to living with the new reality and the sector adapted; discussions returned to the systemic constraints that had been existing in the market before the shock.
- Long-term forecasts have become more difficult as many new unpredictable and risky factors emerged. Volatility in the markets and in the agricultural sector has increased.

The COVID-19 pandemic demonstrated the limited resilience of Ukraine's agri-food sector, emphasizing the need both for structural change to allow for more efficient use of resources to diversify production and sales and to continue efforts to organize the private sector to more effectively represent its interests, and for the government to further adapt into a market economy in which the government sets and enforces rules and regulations but does not normally itself play a major role in production and distribution.

### ***1.1 Use of High-Quality Inputs and Improved Production Practices Facilitated***

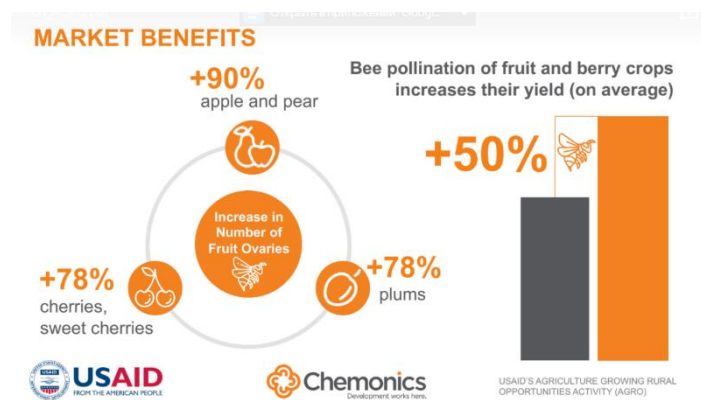
#### **Fruit, vegetables, and berries value chains**

Using an inclusive market systems approach, AGRO continued ARDS-provided assistance to MSME actors in the fruit and vegetable, berry, dairy, and meat value chains. Since ARDS tested system solutions at champion firms over the past four years, AGRO has focused on adopting successful approaches to its new target oblasts together with new pilots to test different initiatives that reflect SME needs.

On October 1, AGRO started its initiative on "Implementation of Modern Technologies and Improving the Productivity and Products Quality in Ukrainian Fruit and Vegetable Sector" (subaward #AGRO-S1-01, implemented by the Ukrainian Berry Association), which will improve the productivity and added value of products in the fruit and vegetable sector and mitigate negative environmental impacts with new technologies, international quality and product safety standards, and efficient and safe use of pesticides. The program directly addresses the training needs articulated by fruit and vegetable producers when they registered. As of October 1, 2020, 314 MSMEs registered for the program.

The subrecipient will hold workshops, trainings, webinars, and study tours for fruit and vegetable producers in AGRO's focus oblasts. As a result of this one-year program, 1,500 MSMEs are expected to gain additional knowledge and practical skills in the use of high-quality materials and advanced technologies for growing fruit and vegetables, including 500 MSMEs expected to implement advanced technologies or management practices. Agricultural producers selected for the program may then be chosen as AGRO partners, which will provide them with consulting assistance, training on improved production technology, and the opportunity to participate in farm-to-farm best practice exchange visits and demonstrations of improved practices.

AGRO successfully supported emerging honeybee pollination services for fruit and vegetable producers by developing technical specifications and implementing a pilot project at Agrovesna to assess the effectiveness of bee pollination in raspberries. Additionally, AGRO developed a methodology and completed the first stage of research on an innovative method of transferring organic plant protection products by bees. AGRO created an educational and promotional video<sup>3</sup> to present the results of these pilots and to raise farmers' awareness about the benefits of pollination by honeybees and reduced pesticides use by replacing pesticides with fungicides and biological plant protection products delivered by bees. The video was submitted to the Society for International Development's annual innovation competition and was honored as an award recipient in October. When institutionalized and commercialized, these new supporting functions will help fruit and vegetable producers to improve orchard and field yields and product quality.



AGRO partners with the WBFU to support bee pollination services. During May-July 2020, WBFU hosted a series of seven webinars on bee pollination, including two with international speakers, which attracted over 230 berry and fruit farmers, beekeepers, academics, and media representatives interested in the commercial bee pollination market. AGRO also supported development of additional modules for the Association for Managed Pollination BeesAgro website<sup>4</sup>, which allow growers to identify beekeepers who can provide pollination services at the right times and places to agree on service terms. The system is ready to start full operation at the beginning of the new orchard flowering season. The next step will be an information campaign to support the BeesAgro platform in preparation for the 2021 season.

In order to bring consulting services closer to agricultural producers and realize the potential of young people in acquiring practical professional knowledge and skills, AGRO elaborated a concept to open agronomic scouting centers at agricultural universities. A working group of university professors, experts, agribusiness representatives, and fruit and vegetable producers developed a scope of work and requested that AGRO engage an international expert to enhance their efforts with international experience. AGRO is working to involve experts from the University of Missouri Extension Service, who are ready to spread U.S. experience to build agri-scouting centers in Ukraine.

AGRO also supports agri-SMEs' access to skills, information, services, and quality input supplies via agri-competency centers/Farm Depots. AGRO conducted several working meetings with agribusinesses to determine agricultural producers' needs and issues they face working with service and supply companies. Based on this information, AGRO developed terms of reference and recruited a local expert to develop a business model for

<sup>3</sup> [www.youtube.com/watch?v=lFAfGpk\\_HiQ&t=2s](https://www.youtube.com/watch?v=lFAfGpk_HiQ&t=2s)

<sup>4</sup> [beesagro.grand.expert/](https://beesagro.grand.expert/)

economically feasible and sustainable Farm Depots that could provide a range of services for fruit and vegetables producers.

### Meat and dairy value chains

AGRO started FY 2020 by building on ARDS successes in meat and dairy value chains. With AGRO support, the Association of Milk Producers (AMP) prepared the manual “Best Practices in Milk Production: AMP Experience” for dairy farms owners and specialists, based on the AMP Consulting Center’s practical experience. The research and manual will be widely distributed by AGRO partners and social media. The manual was published on [Isuu](#)<sup>5</sup> and the ARDS/AGRO Facebook page.

AGRO completed awarding milking machines to 50 women under the grant project “Introduction of new technologies aimed at reducing the manual labor of women - members of the cooperative VAK Monastyrshchenskyi”, which had been supported by ARDS. Following a competitive selection process, milking machines were delivered to women-cooperative champions in Zhashkiv, Monastyrshche, and Khrystyniv rayons (Cherkasy Oblast); and Bershad, Orativ, Teplyk, and Haisyn rayons (Vinnytsia Oblast). Local media extensively covered the activity. The women emphasized that they can now increase the number of their cows and improve milk yields, which will increase the income of rural households and expand cooperative membership.

As changes in the meat value chain are naturally more time-consuming, AGRO’s first success stories also build on ARDS efforts: Lebid Agro, which co-invested with ARDS in piloting a calf-raising center in 2019, started supplying meat to Silpo, Ukraine’s leading supermarket chain, in late summer 2020. The average weight of a bull in the first lot of 25 bulls was 412.7 kilograms (909.8 pounds), with 52 percent yield of fresh meat, which is a significant figure for dairy bulls of this weight. The supermarket paid above the average market average price. The contract requires Lebid Agro to supply 1,200 bulls a year, which means purchasing on average 100 calves from households and small farms. AGRO plans to scale up the calf-raising center pilot experience to the East of Ukraine.

AGRO activities in the meat value chain during FY 2020 included COVID-related activities, such as a set of printed materials developed by AGRO and AMP on how to operate during the COVID-19 pandemic, which were distributed to more than 7,000 dairy farms and processors. All of the materials were also posted [online](#)<sup>6</sup>.

AGRO analyzed value chains in the meat sector’s three main product groups: beef, pork, and mutton. AGRO conducted a round table on “Meat Value Chain Analysis: Beef, Pork, and Mutton” in September to discuss the main findings with stakeholders. More than 40 participants joined the online event, including industry associations, meat processing businesses, and traders. Participants discussed AGRO’s draft report of the meat value chain assessment and the main constraints in the three meat value chains, including the lack of slaughter and processing facilities and legislation amendments needed to simplify and optimize regulations for slaughtering animals. AGRO will conduct additional discussions for

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<sup>5</sup> <https://issuu.com/ukraineards/docs/>

<sup>6</sup> <http://storage.avm-ua.org/uploads/pdf/best-practice.pdf>

each of the value chains later to learn more specifics and investigate the possibility of constructing mobile slaughterhouses for rural communities to stop illegal slaughtering.

At the end of the fiscal year, AGRO started the “Program for Implementation of New Technologies, Improvement of Productivity and Quality of Livestock Products in Ukraine” (subaward #AGRO-S1-05, implemented by AMP Consulting Center 3). The project will increase agricultural MSME productivity and efficiency in the meat and dairy value chains, increase production and sales volumes of livestock products meeting international quality and safety standards, implement international biosafety practices, and mitigate adverse environmental impacts. These activities will ensure 1,000 MSMEs gain additional knowledge about and use high quality materials and advanced technologies for livestock production, with 500 MSMEs increasing productivity and sales of livestock products.

### Confectionary and related food products value chain

AGRO began working with the confectionary VC because of the opportunity it offers for micro-, small-, and medium-sized producers and processors to add significant value to the commodity products of several other target VCs. In FY 2020, AGRO identified potential partners in this VC. In May-July, AGRO conducted an online survey of market actors to learn about SMEs operating in the confectionary and craft products sector. Based on consultations and AGRO’s and other analyses, AGRO determined the basic products in this VC to be:

- Sugar confectionary (marshmallow, fruit candies, halvah, etc.), caramel
- Bread and flour confectionary (pastries, cakes, French cakes, sponge cakes, biscuits), pizza
- Jams (fruit preserves, fruit butter, marmalade, confiture), fruit jelly, puree
- Ice cream (frozen curd snacks, fruit sorbet, yogurt)
- Muesli/granola with dried fruits
- Dried/frozen fruit and vegetable processed foods
- Soft drinks (fruit and vegetable juices, kvass, cider)
- Other products and ingredients used in confectionary production, such as candied fruits and sweets/snacks without added sugar (natural fruit candies, fruit chips, spices, fruit and berry tea)

AGRO developed a three-tier subaward program for SMEs (training, consulting, and co-investment), and announced APS-01 in August, anticipating support for 10 projects in the target oblasts. Submission of concept papers under APS-01 is open through February 17, 2021, in several rounds. AGRO will support competitively-selected producers in the confectionary and craft products VC to roll-out best production practices, new technologies, and international quality and safety production standards; acquire the necessary equipment; certify production, product branding, labelling, and packing; and expand sales markets. AGRO will facilitate synergies between the confectionary and craft products VC and other target VCs, thereby increasing the number of MSME input suppliers that have access to confectionary processors. The activities will increase production and sales and expand the range of end products, primarily locally produced.

### Aquaculture value chain

During FY 2020, AGRO began preparing interventions in the aquaculture VC to advance fish production and upgrade processing. AGRO conducted an economic analysis to identify possible interventions and developed economic models for different types of aquaculture production. The analysis highlighted several bottlenecks in the aquaculture chain.

Commercial fish and seafood farming:

- Lack of home breeding of carp, rainbow trout, African catfish
- Almost all fertilized rainbow trout caviar is imported
- Lack of specialized hatchery and fry shops for growing sturgeon, salmon, and African catfish
- Difficulties in renting reservoirs
- Obsolete farm management system
- Lack of professional operators of recirculation aquaculture systems (there are no relevant educational programs in Ukraine)
- High cost of feed for salmon and sturgeon because of duties on imported feed, while there is no duty on chilled imported fish
- Out-of-date breeding technologies, cultivation in extensive or semi-intensive farms

Pre-sale preparation and processing of products:

- Lack of processing shops, including in clusters

Marketing and logistics:

- Farms lack marketing strategies
- Lack of local brands
- Lack of state support to promote domestic products

AGRO will present more detailed results of the analysis and the economic models during a round table for VC actors on October 16, 2020.

In order to coordinate the efforts of various market players in the sector, AGRO initiated a working group with the State Fisheries Agency, the Agency's Methodical and Technology Center for Aquaculture, the Ukrainian Aquaculture Community Association, and the All-Ukrainian NGO Fishers Community of Ukraine. The working group's tasks include developing legal regulations, simplifying lease relations procedure, and implementing aquaculture innovations. The working group also agreed to conduct joint educational events, training, and consulting activities; disseminate best international practices; and promote Ukrainian aquaculture products on the domestic market. In October 2020, AGRO plans to facilitate a workshop with ponds tenants to discuss lease relations constraints that bottleneck the aquaculture sector.

AGRO held an online workshop on developing cooperation between producers, processors, and retail chains in the aquaculture sector. During the meeting, producers and processors of modern aquaculture species (e.g. rainbow trout, African catfish, giant freshwater shrimp, tilapia) and representatives of national trading networks (Silpo Food and Metro Ukraine)

discussed the prospects for supplying and selling these products, including the prospects for processing. The Ukrainian Aquaculture Community initiated creating and promoting the non-profit brand “Grown in Ukraine” for aquaculture products to support Ukrainian producers on the domestic market and creating an online marketplace for producers, processors, and retailers. AGRO is considering supporting the initiatives.

#### Poultry (other than chicken) value chain

Given the state of MSME development in Ukraine – the abandonment of cattle and shift to poultry farming – AGRO focuses on introducing innovative technologies and pre-sale preparation in poultry such as geese, ducks, and turkeys. AGRO will support consolidating small producers and integrating them into marketing groups that will receive veterinary and zootechnical services, as well as creating service slaughterhouses and pre-sale preparation of poultry meat.

Geographically, AGRO will focus its activities mainly in Kharkiv and Odesa oblasts, where raising poultry by households is the most widespread.

To implement these initiatives, AGRO prepared and will announce in early FY 2021 a sub-grant program to create and develop poultry slaughterhouses. In addition to co-financing initiatives, AGRO will hire short-term consultants to improve veterinary services, provide institutional development for marketing groups, develop joint brands, assist in entering markets, etc. At least 300 households are expected to participate in the pilot, owning 60,000-70,000 geese, ducks, and turkeys in total.

### ***1.2 Infrastructure for Post-Harvest Handling, Storage, and Processing Improved***

Based on the market systems development approach, AGRO seeks to solve constraints at the processing level in its focus VCs and will support MSMEs through processing enterprises. AGRO announced “Capacity Development of Agricultural Processing Enterprises Program (APS-02)”, which will support proposals demonstrating best practices for further dissemination and application in the future. The subaward activities will improve cooperation between processing enterprises, enterprises for finishing and selling products, agricultural producers, logistics companies, and production suppliers in the vegetables, fruits, berries, milk, and meat (excluding poultry) VCs. Activities will target mainly southern and eastern oblasts. The deadline for submitting concept papers under the first stage is October 5, and the deadline for concept paper submission is February 18, 2021.

Considering craft production as one of the promising areas of adding value in the dairy and meat VCs, AGRO initiated a technological and institutional support program for small craft processing enterprises. One of the main bottlenecks is the poor development of processing facilities and their non-compliance with current food safety and traceability legislation that follows Hazard Analysis and Critical Control Point (HACCP) principles. To solve this, AGRO announced a competition to model documentation for small-scale entrepreneurs that can be used to establish and operate artisan cheese workshops (RFA-02 “Development of standard design and estimate documentation packages for small cheese dairies”). After considering the applications, the tender commission concluded that the applications did not meet the criteria and cancelled the tender.

Taking into account the lessons learned, AGRO expanded the scope of work and included the task to develop project documentation for meat processing and small slaughterhouses for poultry. The expanded RFA on “Development of standard design project documentation for small cheese dairies, meat processing facilities, and poultry (except for chicken) service slaughterhouses” was being finalized at the end of FY 2020 and will be published at the beginning of FY 2021. AGRO anticipates a subaward to a Ukrainian company to develop a set of standard project design packages:

- Three packages for cheese dairies of different daily throughput capacity
- Two packages for small-scale meat processing facilities
- Two packages for small-scale poultry (except for chicken) service slaughterhouses

The subaward will support SMEs and associations thereof to start up and develop production facilities for processing and pre-sale preparation of milk, meat, and poultry by providing standard solutions pursuant to Ukrainian legislative requirements with mandatory application of safety traceability standards (HACCP principles), environmental impact assessment, and estimated costs of relevant business activities.

AGRO involved a short-term consultant to develop a model business plan for cheese workshops, which will have two levels: (1) beginners and (2) entrepreneurs who have experience in cheesemaking. AGRO will distribute the developed project documentation and business plan for cheese-making to interested MSMEs, who will be able to use the documentation to improve their interaction with financial institutions and investors.

### ***1.3 Market Access of Ukrainian Agricultural SMEs Increased***

After the quarantine began in Ukraine, many micro and small meat producers panicked due to the closure of local markets throughout the country. AGRO and its partners searched for ways to bring the small producers back to the market.

The very first and urgent example was the Viber community Domani Tvarynnystvo (Household Livestock), created jointly by AGRO and AVA Group to provide a platform for farmers (meat producers) and buyers to quickly and easily find each other. By the end of FY 2020, there were about 300 members in the group, including traders and meat processing enterprises. An average of 40-50 announcements about selling and purchasing pigs, cattle, and poultry are published in the group monthly.

Another urgent measure AGRO implemented was the #4M campaign on Facebook to support and publicize small and medium agriculture producers during the COVID-19 emergency, which helped small farmers gain visibility. For example, a post about the small family farm Capretta Dnipro, which specializes in goat cheese, caught the attention of Forbes Ukraine, which picked up and publicized the post. Following the post, the Dnipro-based Varus supermarket chain began featuring Capretta Dnipro products, and the farm added a third day to its weekly deliveries, up from two. Additionally, the nationwide Silpo chain approached the farm about selling Capretta Dnipro products.

The Activity continues to seek ways to support MSMEs to expand existing markets and open new markets with a more systemic approach. When the COVID-19 quarantine was the strictest in late spring, AGRO initiated a Farmer Online project to provide two subawards to



existing and successful online stores in Kharkiv and Dnipropetrovsk oblasts. However, the idea was not implemented: AGRO received six applications from potential subawardees but none met the project's goals (see also VII Lessons Learned). As the GoU began to significantly weaken quarantine restrictions, food markets gradually resumed, and some of the online stores that arose in the wake of the quarantine stopped working and failed to break even. AGRO decided to stop the project and consider its renewal only after gaining a better understanding of the growth points for trading farm products online.

AGRO prepared a sub-grant program (RFA-08) to develop seven standard marketing strategies for MSMEs in the target value chains:

- Marketing strategy for production and sale of fruit and vegetable produce and processed products, including organic and craft products
- Marketing strategy for production and sale of fresh berries and processed products, with due regard for the organic and craft sectors
- Marketing strategy for production and sales of milk and dairy products, including goat, sheep, craft, and organic dairy products
- Marketing strategy for production of meat, including organic and craft meat products
- Marketing strategy for poultry (except chicken) breeding and production of organic and craft poultry meat products
- Marketing strategy for aquaculture and processed products
- Marketing strategy for the confectionary market and other products, including the organic and craft sectors

Each strategy will be presented to interested MSMEs and associations during a round table that AGRO will organize in FY 2021 Q1.

Applying the market systems approach, AGRO pays significant attention to amplifying feedback loops between market players. AGRO prepared a subaward program to develop an online guide for suppliers, which will improve MSME access to information about the main players in the market system and their requirements for pre-sale product preparation. In the first stage, a series of online meetings “Morning with a Buyer” will be held in cooperation with trading networks and supermarket and manufacturer representatives. Market participants will get answers to important questions on market development and have the chance to improve cooperation along the VC.

Another way for MSMEs to increase access to the market is to produce additional value through craft production or identify a niche as a producer of regional products. AGRO developed a subaward program to support a series of fairs to sell local farm products in the eight target oblasts. As a result of the activities, 160 SMEs are expected to gain additional knowledge on brand development and increased sales.

AGRO initiated a series of online meetings with manufacturers and associations of active participants in the craft agricultural products market. Market actors suggested creating clubs of regional, craft, and other product producers and asked for AGRO support. Through

support to the clubs, AGRO will foster consolidating market actors for joint projects, forming bigger batches of products, and joint entrance into markets. AGRO will consider a concept for the clubs being developed by the market actors.

AGRO developed a need ( and began looking into two pilot projects, creating joint production facilities for SMEs and developing a cold chain model, both of which would provide additional services to SMEs to ensure cold logistics of their products.

In effort to improve MSMEs knowledge and skills on branding and marketing, AGRO prepared a subaward training program (RFA-06) to ensuring engaged MSMEs have access to systemic markets. As a result, AGRO expects that at least 100 MSMEs will open new markets and increase sales by 15 percent.

AGRO developed a subaward program to improve MSME access to international and domestic tradeshows and plans to support at least 500 MSMEs with additional knowledge on participating in tradeshows and successfully presenting their products. At least 30 MSMEs are expected to enter new export contracts and at least 200 MSMEs are expected to find new domestic buyers.

AGRO initiated selection of a successful bidder for the three-stage umbrella Demo Farmer project. In early FY 2021, AGRO will select a reliable partner to develop a concept paper for a national Demo Farms network and to initiate and maintain demonstration farms focused on value added. The project will support the exchange of knowledge, practices, technologies, and human capital to intensify innovation and improve mutual learning and networking between agricultural actors in Ukraine and their integration into the demo farm network in Europe.

## **Objective 2: Key Supporting Functions Improved**

Supporting functions generally have two aspects: a general policy issue and the policy's local effects. As AGRO works with both national policy and many CCs, its policy work, local activities, and work with VC development interact and inform each other to improve supporting functions.

### ***2.1 Access to Efficient and Affordable Irrigation Improved***

Irrigation policy is increasingly a priority as the end approaches for the moratorium on the purchase and sale of farmland that was divided into land shares. Managing the tertiary irrigation and drainage facilities in the divided fields must be resolved for the land market to function in irrigated areas. The international best practice is to create Water Users Associations (WUAs) to manage these systems.

To support implementation of the Irrigation and Drainage Strategy in Ukraine by 2030, AGRO participated in the working group to develop the DL On Water User Organizations and the Action Plan to the Irrigation and Drainage Strategy in Ukraine. To develop the regulations package, AGRO partnered with agricultural associations; farm water users; NGOs such as AUAC, the UCAB, the Better Regulation Delivery Office; and relevant state executive bodies such as the MDETA, Ministry of Environment, and State Water Agency.

On September 9, the CMU included AGRO in the Coordinating Council on Irrigation Systems Resumption and Development. The CMU resolution provides for the Coordination Council's close cooperation with the World Bank and USAID.

In partnership with AUAC and UCAB and other associations and NGOs, AGRO prepared the DL On Water User Organizations and Stimulating Land Melioration and an Action Plan for the Irrigation and Drainage Strategy in Ukraine by 2030, and presented them to MDETA's Working Group on Irrigation. On October 1, in a meeting of the Coordinating Council on Irrigation Systems Resumption and Development, co-chaired by the Minister of Economic Development and the Minister of Environment, the Action Plan for the Irrigation and Drainage Strategy in Ukraine by 2030 was approved, including AGRO's proposals. The State Agency for Water Resources presented a concept for reforming irrigation and drainage systems in Ukraine, including the possibility of establishing a state company to maintain irrigation systems, and a draft law on water user organizations, which was developed with AGRO expertise. The next steps will be CMU consideration and approval of the Action Plan, consideration and approval of the draft law on water user organizations at the Coordinating Council's next meeting, and dissemination of information on irrigation reform. AGRO will continue supporting adoption of the draft law on water user organizations and implementation of the Action Plan.

## ***2.2 Access to Finance Increased***

Access to finance for market actors in the agricultural and food sector involves two very different activities. The first is finance for capital investment, including land purchases. Real estate mortgages are a primary source of investment capital, and AGRO's support of land reform allows for progress. The second is providing working capital to finance product-cycle activities.

Ukrainian banks tend to not pursue agri-food MSME customers due to the transaction costs for them and because many MSMEs do not have well-documented credit histories or credible financial plans. Recent experience shows that one successful way to address this problem is a web-based business-to-bank platform that forms a client profile based on data from state registers and sends it to several banks for a quick preliminary decision.

During FY 2020, AGRO continued cooperation with five of the eight financial literacy consultants contracted in 2019 by ARDS. Most of them continued to cooperate with the AgriAnalytica online platform and were involved in AGRO's information and communication activities. As a result of this cooperation, some farmers continued using consultant assistance in Kherson, Poltava, Vinnytsia, Zaporizhzhia, Sumy, and Lviv oblasts, which resulted in 177 applications for funding from farmers totaling of 175.7 million hryvnia (approximately 6.2 million USD).

Simultaneously, AGRO more deeply investigated farmers' financial resources needs and conducted a survey among banks on financial products available to farmers after the onset of the COVID-19 pandemic. The survey results demonstrated that there are at least seven serious market actors now that provide farm-to-bank internet-based disintermediation; however, neither financial institutions nor farmers are aware of the services' convenience.

To encourage the most promising players in this expanding market and to draw attention to their services, AGRO designed two initiatives. First, AGRO announced a subawards competition to support three web-based platforms, which prove their leadership and capacity to implement modern information technology (IT) solutions to improve financial infrastructure and facilitate access to funding for agricultural MSMEs. The subawards will simplify, accelerate, and improve agri-MSME access to funding, support the emergence of new services in the market, and simplify applying for agri-finance. As of September 25, AGRO had received subaward applications from nine companies. The three subaward winners will be announced in October 2020.

Second, AGRO launched the communication campaign “Agricultural Fintech Month” in FY 2020 Q4, which promotes the agricultural financial services sector among agri-MSMEs. The campaign involves video interviews with market experts and players, market overviews, and infographics, which are distributed via social media and web resources. The goals of the campaign that started in September 2020 are:

- ✓ To increase financial literacy among agri-MSMEs that work in AGRO’s target VCs
- ✓ To raise MSME awareness about available tools to attract financial resources
- ✓ To increase the number of farmers who use financial services online, raise the number of official transactions performed by MSMEs, and improve financial and economic reporting

Web-based business-to-bank platforms will transform the market by changing agri-MSMEs from being passive objects for financing to players that choose the most convenient option from among available financial solutions. By making finance more available for MSMEs, business-to-bank platforms will also become a significant incentive for many Ukrainian farmers and other agri-food sector MSMEs to step out of the shadow economy, demonstrating to them the clear benefit in legalizing their activities.

## ***2.3 Sector Services Enhanced***

### **Awareness of safety and quality standards increased**

AGRO continued supporting the Global Good Agricultural Practices National Technical Working Group (GLOBALG.A.P. NTWG) to adapt GLOBALG.A.P. standards for Ukraine. On August 27, the NTWG approved the National Interpretation of Basic Regulatory Documents and GLOBALG.A.P. Modules, which outline requirements for agricultural producers: Crop production and Fruits/Vegetables version 5.2. AGRO predecessor ARDS helped to translate and adapt the requirements, and with AGRO support, the documents were sent to the GLOBALG.A.P. head office for final approval and publication. Ukrainian farmers will receive adapted and more convenient access to GLOBALG.A.P. requirements, which is fully harmonized with national legislation and in the Ukrainian language. AGRO will conduct an educational seminar for interested farmers in November-December 2020 to make the adopted Ukrainian version of requirements easily available for local producers.

Building on this first success with GLOBALG.A.P. in vegetables and fruit, AGRO started expanding GLOBALG.A.P. standard adaptation to other sectors. AGRO translated five GLOBALG.A.P. modules containing requirements for producers in livestock (cattle and sheep

breeders, dairy producers, calves/young stock producers, and pig breeders) and hired a short-term consultant to work with NTWG on preparing national interpretation of these models for Ukraine. This work will be completed by the end of January 2021.

To support practical implementation of the standards, AGRO announced the subaward Food Safety Program to assist Ukrainian agri-MSMEs access advisory services for implementing international standards for food safety systems based on HACCP principles (ISO 22000, FSSC 22000, IFS, BRCGS, GLOBALG.A.P.). Subaward activities will help at least 100 MSMEs implement international food safety standards.

AGRO conducted an online training for 30 selected consultants who provide safety standards consultations for agri-SMEs. The training aimed to find ways to implement safety management systems for SMEs that would result in certification, as most SMEs remain uncertified, which significantly limits the markets for products. Participants learned about methods for improving the efficiency of consulting services and discussed methods, tools, and features of providing services for SMEs, especially considering SMEs' budget constraints and lack of trained staff. The trained participants successfully passed a test on knowledge of certain standards and methods for providing consulting services. All trained consultants will be involved in AGRO's Food Safety Program by implementing safety management systems at participating enterprises. AGRO plans to announce the Food Safety Program subaward winner in October 2020.

### Export services

ARDS champion firm USPA FRUIT continues to expand new export markets for Ukrainian blueberries. The company was the first in Ukraine to test air shipment delivery of blueberries to Malaysia, Bahrain, and Singapore. The main purpose of the small batch deliveries (500 kilograms) was to test harvesting and packaging technologies that will allow Ukrainian berries to travel thousands of kilometers by air.



AGRO and USPA FRUIT, in partnership with SME suppliers, prepared video tutorials for Ukrainian farmers on lessons learned during the test shipments, and blueberry and apple safety and quality requirements the new markets demand. The two videos will be published in October 2020 and will help Ukrainian small producers consider export requirements when growing and post-harvesting fruits and berries, thereby increasing their own export opportunities.

### Laboratory services

Prime Lab Technology Laboratory continues cooperating with the retailer GoodWine to test products for pesticide residues as part of their joint Pesticides Under Control initiative. Unfortunately, cooperation with other networks has not been sustained and is not systematic. SMEs cut their outsourced services due to the COVID-19 pandemic, which, combined with low consumer demand for quality products, kept demand for private laboratory services low. In FY 2021, AGRO plans to re-focus on advocating for monitoring, control, and liability for the use of harmful substances among government agencies, retail chains, producers, and the public, involving private laboratories and other market players.

### SMART innovation for agri-MSMEs in value chains facilitated

AGRO continued discussing with interested stakeholders and IT companies the possibilities for adapting and introducing SMART technologies for MSMEs in the fruits, berries, and vegetables VCs. AGRO is developing an Innovation Agenda, which includes a list of technologies suitable for MSMEs and companies that suggest IT solutions for the Ukrainian market. AGRO will present the Innovation Agenda to stakeholders by the end of 2020.

## **Objective 3: Agricultural Sector Rules and Regulations Improved**

### ***3.1 National Enabling Environment Improved***

Although AGRO is expanding its rules and regulations component to more general business environment issues for the agri-food sector, during FY 2020, AGRO focused primarily on continuing to advance land reform and preparing for the end of the moratorium in 2021 on sales of most agricultural land.

### Legislation advancing the land reform

AGRO paid special attention to supporting adoption of DL #2178-10 On Land Turnover. While the Parliament considered more than 4,000 amendments to the draft law, AGRO advocated and clarified it with the AUAC and the All-Ukrainian Association of Communities. After the law was adopted on March 31, AGRO continued to disseminate information about its content and benefits, along with the whole related package of land bills.

AGRO advocated and assisted the Verkhovna Rada Agrarian Committee to finalize Law #2370 On the National Infrastructure of Geospatial Data, adopted by the Verkhovna Rada on

April 13, 2020<sup>7</sup>; and Law #2280, On Amendments to the Land Code of Ukraine and Other Legislative Acts Regarding Land-use Planning, adopted by the Verkhovna Rada on June 17, 2020<sup>8</sup>.

Law #2280, signed by the President of Ukraine on July 22, requires publication of all open geodata, including data from land, forest, water, and other cadasters and registers, and opens the way for wide use of the CC land planning procedures developed by ARDS and AGRO.

As part of the World Bank-convened working group on land legislation, AGRO developed a table listing the extensive number of regulations that must be adopted to implement the new land reform legislation, along with descriptions of the normative and legal acts. The list of needed regulations was discussed with the MDETA, SLC, Ministry of Communities and Territories Development, and the CMU Office for Reforms, and became the basis for developing CMU resolutions. AGRO and the World Bank agreed to cooperate on drafting these pieces of legislation.

The working group prepared proposals for DL #3295 On the State Agrarian Register, which are included in DL #3295-2 approved by the Committee for adoption by Parliament in the second reading.

AGRO reviewed and proposed changes to DL #3012-2<sup>9</sup> for the Verkhovna Rada Agrarian Committee, focused on ending the use of lands controlled by the Academy of Agrarian Sciences for purposes other than research. AGRO and the AUAC agreed on these changes and the Association suggested them for consideration by the Verkhovna Rada Agrarian Committee.

AGRO proposed amendments to the Procedure for Conducting the State Land Cadaster, originally approved by CMU Resolution #1051 on October 17, 2012. CMU Resolution #455 of June 3, 2020, approved those amendments<sup>10</sup>. The changes simplify and clarify the procedure for correcting errors in the cadaster, which are essential for the proper operation of the agricultural land market.

AGRO supported the World Bank's pilot project on a State Agrarian Register, which is needed for de-shadowing agricultural production. The pilot includes finalizing the terms of reference for the Register's software and developing procedures for correcting errors in the land cadaster. AGRO is responsible for carrying out a pilot in 17 CCs in Kharkiv, Luhansk, Donetsk, Dnipropetrovsk, Zaporizhzhia, and Kherson oblasts.

As part of the World Bank and All-Ukrainian Association of Communities training for agricultural register operators in the pilot communities, AGRO conducted online sessions on

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<sup>7</sup> «Про національну інфраструктуру геопросторових даних», <https://zakon.rada.gov.ua/laws/show/554-20#Text>

<sup>8</sup> «Про внесення змін до Земельного кодексу України та інших законодавчих актів щодо планування використання земель», [http://w1.c1.rada.gov.ua/pls/zweb2/webproc4\\_1?pf3511=67111](http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=67111)

<sup>9</sup> DL #3012-2 On Amendments to Certain Legal Acts Concerning the Security of the Rights of Employees of State Agricultural Enterprises, Institutions, and Organizations to Hold Land Plots (shares)

<sup>10</sup> «Деякі питання реалізації пілотного проекту із запровадження принципу екстериторіальності в державній реєстрації земельних ділянок», <https://zakon.rada.gov.ua/laws/show/455-2020-%D0%BF#n62>.

correcting cadastral errors through the State Agrarian Register and shared guidelines on access to finance, which were distributed to all the pilot communities.

At the World Bank's request and within this pilot project, AGRO developed a methodology of verifying territories for land inventory based on modern GIS technologies, and verification was conducted for all communities in the pilot oblasts. The next step will be to present the results to the World Bank and the State GeoCadastré for implementation in other regions during the land inventory. Based on the pilot's first results, AGRO prepared a list of proposals to improve DL #3295-2 On the Agricultural Register and sent it to the World Bank and the All-Ukrainian Association of Communities for further advocacy.

At the request of the National Bank of Ukraine (NBU), AGRO analyzed Ukrainian legislation on pledge (mortgage) of agricultural lands, thereby assisting the NBU to implement the Strategy for the Development of Ukraine's Financial Sector through 2025.

A revised version of the new draft methodology for normative cash valuation of land was published on the SLC website on April 22. The methodology will replace three separate obsolete methods for land valuation and will be employed in CCs when the land market is introduced. The new methodology was agreed with professional assessors and the SLC's subnational agencies and pilot tested in Mykolaivska, Mezhyvska, and Palanska CCs; the date of the money valuation for taxes was published on the CCs' geoportals.

AGRO held extensive expert discussions with the MDETA, State GeoCadastré, and agricultural associations to clarify and finalize draft guidelines for regulatory monetary valuation of land, the adoption of which is included in the CMU work plan for 2020.

AGRO cooperated with the EU-funded Pravo-Justice Project, which proposed a gap analysis of new legislation on future land sales, land transfer risks, and next steps to combat raiding. AGRO took part in the discussion and revision of the Terms of Reference for this work and was also invited to the Land Reform Working Group and the Spatial Development Group, both supported by the Donors' Council.

### Defending agricultural landowners' rights

Considering the priority need to advocate for land-related draft laws and explain the adopted land legislation to decision-makers, authorities, business, and the general public, AGRO partnered with the State GeoCadastré, the World Bank, and the USAID Transformation Communications Activity to develop a joint information campaign. They developed a joint plan for the information campaign, which will be submitted to the MDETA for approval in October. The plan includes the current period when the draft laws will be adopted by Parliament and the following year, when the bylaws are to be adopted and land circulation will be introduced.

AGRO is also developing an action plan to improve legislation and practical tools to counteract and prevent illegal land acquisition (raiding). The action plan on protecting farmers rights will be discussed with the World Bank and implemented in cooperation with the Ministry of Justice and agrarian associations.



### Building land professionals' support for land reform

Local officials whose jobs involve land management (including surveying, titling and registration, enforcement of land use rules, and taxation) often complain that they are not well informed about land reform. In FY 2020, ARDS/AGRO conducted an online course<sup>11</sup>, developed in cooperation with the SLC, for rural land managers working in local government to address this need. This large-scale effort included some 90 sessions, with 468 land managers successfully completing the course. The SLC and participants both reported that it had made a major contribution to increasing local land officials' understanding of land reform.

As another way of building professionals' support for land reform and new technologies for land management, ARDS/AGRO supported the GEODIGITAL Ukraine 2020 conference. Participants discussed using national geospatial data infrastructure to optimize and improve management of CC resources. NGO UkrGeo, AGRO, and the geodata producer community led the discussion.

### Business environment improvement

AGRO follows legislative proposals that may affect, positively or negatively, the business environment for the agri-food sector of Ukraine and discusses them as appropriate or requested with its partner associations. This monitoring and discussion form the basis of AGRO's follow-up activities and interventions to improve the business regulatory environment.

During FY 2020, AGRO constantly monitored legislative and regulatory initiatives promulgated by the Verkhovna Rada, the CMU, and central executive bodies. With support from business associations, particularly the American Chamber of Commerce and European Business Association, AGRO analyzed 12 draft laws, CMU resolutions, and Ministry orders. The analyses informed decisions to support or not support the initiatives, and appropriate proposals were provided to stakeholders. AGRO continues this activity on an ongoing basis to ensure consistency and predictability of the regulatory environment.

In August 2020, AGRO held working meetings with sectoral associations and the MDETA Directorate for Food Safety on the need to regulate the local and craft foods categories and introduce an optimal safety system for the products, which are produced mainly by micro-entrepreneurs without legal status and require legalization. Over the next year, AGRO plans to provide expert assistance in preparing relevant draft laws, taking into account international experience and best practices, and information and training activities for local and craft producers.

### Support to MDETA Rural Development Directorate

In early June, AGRO's Agreement Officer's Representative (AOR) passed on a request from the MDETA Rural Development Directorate for AGRO's assistance in carrying out five priority activities. These activities derive from ones the Ministry had included in its 2019,

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<sup>11</sup> [https://www.youtube.com/playlist?list=PLvN360bZ3Y\\_EFTWdkNdxVNFVDU\\_ENo4I1](https://www.youtube.com/playlist?list=PLvN360bZ3Y_EFTWdkNdxVNFVDU_ENo4I1)

and apparently 2020, work plan. After extensive consultation with the AOR, it was agreed with the Directorate that AGRO would assist in three activities.

- Devise a development cluster model applicable throughout Ukraine allowing rural residents to develop businesses and increase product sales and develop a short-term training program for local specialists. As part of its assistance, AGRO provided comments on the activities initiated by the Directorate to develop a DL on cluster regulation as a premature and unjustified initiative that does not coincide with international practices. Instead, collection of information by region on existing clusters in the agricultural sector and generalization of issues related to the creation and operation of clusters in the agricultural sector were initiated. Based on the analysis of the collected information, AGRO will provide proposals to the Directorate on further steps to develop a cluster model in the agricultural sector.
- Advise on a new version of the Law on Agricultural Cooperatives in order to increase the number of successful cooperatives by 10 percent annually. AGRO developed DL On Agricultural Service Cooperation, an explanatory note, and analysis of the DL's regulatory impact. The draft law is designed to restore the institution of agricultural service cooperatives as an integral part of the cooperative organizations system, the concept of which was diminished with the Verkhovna Rada's adoption of the updated Law #819-IX On Agricultural Cooperation of 21 August 2020.
- Support agricultural SME development, including family farms, in the fruit, vegetable, meat, and dairy sectors. This task coincides with AGRO activities under the Value Chain component (see Section 1.1.).

The MDETA offered to include three AGRO staff members in the Ministry's working group that will follow through on these activities.

### ***3.2 Local Enabling Environment Improved***

Ukraine is conducting decentralization reform that changes and empowers local government. It will, at last, create local governments that are responsive to local needs and with the necessary resources to provide adequate community services to rural populations. The land reform laws discussed above facilitate the transfer of ownership and management of land within the boundaries of each CC to that community. Honest taxation and use of community land are principal means to ensuring that the CC has adequate resources to serve its residents.<sup>12</sup>

#### **Consolidated Community land planning**

Geoportals, webpages with open access to GIS data about a CC's land, and other resources are a primary means of ensuring transparent land management at the local level.

Building on an initiative begun by ARDS, AGRO supported creating geoportals for 61 CCs during FY 2020. Each CC created a working group that met to consider future development of the CC's territory. The GIS maps on the geoportals and the working group discussions are

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<sup>12</sup> Decentralization reform has become even more central to rural development following the Verkhovna Rada's adoption of a resolution on July 17 delineating new rayons and their division into CCs throughout Ukraine.

the first steps in the ongoing development of integrated plans for each CC's spatial development. AGRO also provided each of the CCs with computer equipment and GIS software to manage CC land. The CCs will be able to connect to the SLC, download data on their geoportals, and manage community lands.

AGRO prepared and distributed publications to the CCs that explain the land reform legislation and land rights. The materials can reduce conflict over land in the CCs, as they are available for reference and contain both the legal texts and clear explanations of them.

As part of its cooperation with the World Bank, AGRO prepared a scope of work for a post-pilot in two Kharkiv Oblast CCs to create comprehensive plans for the communities' spatial development. The World Bank will provide space images for the cartographic basis, and AGRO will test solutions and draft regulations for a model to develop comprehensive spatial plans for 600 CCs within the World Bank's financing.

On September 24, public discussions were held on developing Shakhivska CC in Donetsk Oblast, focused on implementing an electronic model of land and other community resources based on cooperation between the community and businesses, which was developed by ARDS and AGRO. The project resulted in creating the most favorable conditions for local development and business investment projects: joint funding for road construction, overhaul of the cultural center, new kindergarten equipment, and aerial photography and topographic mapping for the whole community. The CC's geoportal was created with support from ARDS and AGRO with a long-term plan.

### **III. PROGRESS AGAINST TARGETS**

In accordance with the MEL Plan, report presents the progress on three quarterly, four bi-annual, and five annual indicators (see Annex D).

The target of value in hryvnia of new private sector investment in assistance by the United States Government (USG) to agri-MSMEs (Indicator 1) 94 percent achieved.

The target for the number of farmers and others who have applied improved technologies or management practices with USG assistance (Indicator 4) is four percent achieved. During Collaborating, Learning, and Adapting (CLA) sessions, the AGRO technical team acknowledged that the failure to meet the FY 2020 target for indicator 4 is due to the long-term arrangements of AGRO activities.

AGRO achieved 84 percent of the annual target for the number of times service providers assisted by USG performed new or improved services for agri-MSMEs (Indicator 6). As noted in the FY 2020 Q3 report, AGRO believes that the low fulfillment is due to the circumstances created by the COVID-19 pandemic. As the quarantine continues, the economic impact of the COVID-19 pandemic is expected to worsen.

The target for the number of supported MSMEs accessing finance (Indicator 8) is exceeded by 77 percent for FY 2020. Overall, 177 MSMEs were supported in accessing finance in FY 2020. During Q4 alone, 94 MSMEs accessed finance for a total goal of 100 MSMEs in FY 2020. In FY2020 Q3, bank institutions were collecting loan applications and only in Q4 began to actively distribute loans to farmers. AgriAnalytica noted that farmers are most interested in the state support program Affordable Loans 5-7-9%, which ARDS/AGRO supported. As a

result of AGRO recommendations on the importance of delivering information to farmers about AgriAnalytica support programs and tools in preparing applications for the state interest-free loans, the number of consultants and advertising phone calls was increased. That led to increase in the number of applications and funding.

AGRO achieved the FY 2020 target for the number of agriculture and rural development-related rules and regulations advanced with USG assistance (Indicator 9). The FY 2020 target of 5 agriculture and rural development-related rules and regulations advanced with USG assistance is 100 percent achieved.

In FY 2020, AGRO worked with CCs to achieve the FY 2020 goal of 0,03 million hectares for number of hectares of land opened for transparent public view with USG assistance (Indicator 11). The FY 2020 target was exceeded by 57 percent. Initially, AGRO planned to develop spatial planning for smaller CCs, but as it appeared later, two very big communities were more ready to proceed with land opening for transparent public view. Thus, the target was reached by only two communities publishing their land data.

The target of 60 for the number of communities implementing improved land management techniques as a result of USAID assistance (Indicator 12) is 102 percent achieved.

Women constituted 43 percent of participants in AGRO activities during FY 2020. The FY 2020 target for the percentage of female participants in USG-assisted programs designed to increase access to productive economic resources (GNDR-2) (Indicator 13) is 45 percent.

To measure the percentage of women who report improved economic well-being at the household level as a result of USG assistance (Indicator 14), AGRO conducted an online survey for women who participated in its activities. Twenty-five percent of respondents reported improved economic well-being, which is 2.5 times greater than AGRO's FY2020 target of 10 percent. Most women who responded positively are Women Beekeepers Association members who participated in a series of beekeeping webinars conducted by AGRO in April-May. There were also women who participated in online events regarding the State GeoCadastre and a two-day training session on business development in CCs. Women tend to be (or report being) overoptimistic about their well-being considering COVID-19, the quarantine, and economic decrease. This hypothesis will be tested when we examine data trends during the next reporting periods.

The 25 percent target for USG-assisted organizations with improved performance (CBLD-9) (Indicator 15) is 156 percent overachieved. Initially, AGRO planned to have more educational events on improving MSMEs productivity, which would increase the number of assisted organizations and decrease the reached indicator value. However, as AGRO's educational events were postponed, the indicator is calculated mostly based on the farmers who contact AGRO through the AgriAnalytica platform, which has a very high efficiency in building capacity.

The target for FY 2020 for two following indicators is zero: number of new USAID-assisted rural investment projects implemented that benefit agricultural MSMEs (Indicator 2) and the number of beneficiaries who have access to improved irrigation systems (Indicator 7). These two indicators will be monitored and reported during the next fiscal year, as specified in the MEL Plan.

The results for MEL indicators “percentage of productivity change among agricultural MSMEs as a result of USG assistance” (Indicator 3), “USD sales of firms receiving USG-funded assistance (EG. 5.1)” (Indicator 5), and “percentage of agricultural MSMEs that report facing corruption in land relations” (Indicator 10) will be reported in FY 2021 Q1 for the full calendar year, as specified in the MEL Plan.

The linked [report](#)<sup>13</sup> outlines progress toward the achievement of targets for performance indicators in the AGRO MEL Plan, and the [visualized MEL FY 2020 report](#)<sup>14</sup> in MS Power BI.

## IV. INCLUSIVE DEVELOPMENT

AGRO’s Gender Equality and Social Inclusion (GESI) Specialist began work in mid-May. All staff are expected and encouraged to constantly consider how to be more inclusive in all their work but having a designated senior advocate for doing so is clearly helpful. The GESI Specialist’s leadership and advocacy has contributed greatly to broadening AGRO’s understanding that GESI means all kinds of social exclusion, not only gender, while continuing to insist on the importance of gender issues.

At USAID Kyiv’s request, the GESI Specialist presented her preliminary analysis to the AOR, who noted that it greatly strengthened the Activity’s Initial Implementation Plan (IIP). Starting from late September, AGRO is conducting its GESI Assessment. The assessment will help to further understand gender- or group-based constraints and inequalities that will impede achieving AGRO’s objectives, determine root causes of these constraints, identify how gender relations and social inclusion in Ukraine will affect the achievement of AGRO’s results; and recommend how gender equality, women’s empowerment, and social inclusion can be better integrated in AGRO activities in a way that will support the economic development of rural Ukrainian communities and encourage more productive, modern, and profitable agri-MSMEs. Per USAID Kyiv’s request, the assessment is nationwide. While there are some limitations to conduct field work, caused by the COVID-19 quarantine, the GESI Specialist has been working closely with subject matter experts at the Chemonics home office to design and conduct the assessment. AGRO plans to have the assessment results by December 2020 and expects them to be of crucial importance for design of AGRO’s future activities.

Meanwhile, the GESI Specialist cooperates closely with all technical teams as they prepare and conduct planned activities and meets with them regularly to ensure GESI is integrated throughout AGRO portfolio. All subaward competitions contain an additional score for consideration of GESI-related approach, and the GESI Specialist takes part in the evaluation of sub-grant proposals on GESI issues and prepares responses and recommendations.

Due to the late Initial Environmental Examination (IEE) approval, other GESI activities started later than initially planned. Nevertheless, the project achieved progress on the Winter School for underrepresented groups of farmers which was approved and the subaward procedure has started. The Winter School will be launched in online/off-line format in January, depending on quarantine restrictions. This activity is part of SHE FARMS

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<sup>13</sup> [https://drive.google.com/file/d/1zUdNKTO\\_p-f68X2NrASOqq3Ijwid-zlG/view?usp=sharing](https://drive.google.com/file/d/1zUdNKTO_p-f68X2NrASOqq3Ijwid-zlG/view?usp=sharing)

<sup>14</sup> [https://drive.google.com/file/d/1s8vZLCeMedrVQXxN0ch9dRpW7k\\_dZWIA/view?usp=sharing](https://drive.google.com/file/d/1s8vZLCeMedrVQXxN0ch9dRpW7k_dZWIA/view?usp=sharing)

umbrella project, which also will support mini farming development with boarding schools, nursing homes, and retirement homes; and Mini MBA for Women farmers/entrepreneurs in the future.

AGRO also prepared a one-page summary of its GESI activities and results for internal and external use, and an internal training on GESI for current and new employees.<sup>15</sup>

## **V. ENVIRONMENTAL COMPLIANCE**

AGRO's IEE was originally developed and approved before USAID awarded the AGRO Cooperative Agreement to Chemonics, and thus it required further revision and amendments to incorporate new activities envisioned by AGRO's initial and future annual implementation plans. AGRO's Environmental Compliance Specialist (ECS), in collaboration with the technical teams, developed the draft IEE amendment and submitted it to USAID for review and approval. Following the rounds of review, AGRO IEE amendment was approved and signed by USAID on August 5, 2020.

To refine AGRO's internal environmental management procedures, the ECS tailored USAID's environmental screening checklist template for internal screening to pre-assess the potential environmental impact of every Strategic Investment Fund (SIF) activity and to determine the need for further environmental review checklist and Environmental Mitigation and Monitoring Plan (ERC/EMMP) preparation. In the next reporting period, it is anticipated that the ECS will conduct environmental reviews and develop EMMPs for a number of subawards that fall under Negative Determination with Conditions threshold, in accordance with USAID procedures and IEE requirements.

The ECS developed an all-staff AGRO Environmental Compliance Procedure training that was delivered on August 20, 2020, to familiarize project staff with the USAID environmental procedures and national environmental requirements. The training was recorded, and the video and presentation materials are available for all current and newly hired project staff. The ECS will provide an additional training on environmental compliance on an as-needed basis for all new project hires (e.g. regional coordinators). Also, the ECS plans to develop a series of capacity building trainings for AGRO subrecipients to provide them with up-to-date information on environmental requirements prescribed by AGRO to ensure full compliance with environmental procedures.

As envisioned in the AGRO FY 2020 IIP, the ECS did a comprehensive inventory of current Ukrainian environmental legislation as it applies to agri-food sector MSMEs. Having a database of environmental and related regulations and standards will allow AGRO to develop comprehensive EMMPs for VC activities in accordance with USAID environmental procedures, the AGRO IEE, and Ukrainian legislation. The database will be regularly revised, amended, and expanded over the life of the AGRO Activity to meet AGRO objectives and tasks.

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<sup>15</sup> <https://drive.google.com/drive/folders/1udZAb2iwmToEs1lkxVhqGi3LHRwpLwyA?usp=sharing>

## **VI. LINKS TO OTHER ACTIVITIES AND GOVERNMENT**

Immediately upon signing of the cooperative agreement, AGRO started close collaboration with stakeholders to validate experts' assessments on the biggest challenges in the agri-sector and to brainstorm ideas for future interventions. This close cooperation with the GoU, Members of Parliament, the World Bank, sector associations, champion firms and early adopters from AGRO's predecessor ARDS, trading networks, and certification bodies intensively continued throughout the reporting year, providing AGRO with ideas for cooperation and feedback loops on how to better adopt to market needs in the quickly changing environment.

Staff participated in and often led a World Bank-convened working group on land reform-related legal drafting, while jointly developing plans for communications about land reform and pilot activities.

In cooperation with the World Bank, AGRO piloted the State agricultural register in 17 CCs in six oblasts, including land verification for land inventory and cadastral error correction. The pilot helps to eliminate shortcomings and supports Parliament's adoption of a bill on agricultural register and state support.

Within the Donor Council (which includes the MDETA, World Bank, and European Commission), AGRO participated in setting priorities for land reform bills to be adopted by the Verkhovna Rada. Within the Sectoral Working Group on Spatial Development, AGRO assists in developing procedures for public discussions on spatial planning and defining criteria for selecting communities for the World Bank's subventions for comprehensive spatial development plans.

AGRO has expanded cooperation with EU-funded U-LEAD and Pravo-Justice projects in disseminating the spatial planning methodology developed with ARDS support and implemented in the adopted law, and preparing a technical task for a gap analysis of readiness for the land market launch in Ukraine, initiated by the Pravo-Justice project and the World Bank.

AGRO is working with the MDETA Rural Development Directorate, which has requested AGRO staff to join a Ministry-organized working group.

At AGRO's initiative, and with World Bank support, the GoU established a working group on water strategy and WUA formation, where AGRO actively participates.

AGRO also established close cooperation with the StateGeoCadastre to build support for land reform and institutional capacity to administer it.

## **VII. SUB-AWARD DETAILS**

In the reporting period, AGRO executed two subawards and three contracts.

- 1) A cost-reimbursement subaward with Ecoventures International (EVI) to provide short-term technical assistance on integrating market systems thinking, coalition



building around policy, internal learning, making system improvements, and behavior change management/capture/measurement.

- 2) A fixed amount subaward with Ukrainian Berries Association to introduce modern technologies and improve productivity and product quality in the Ukrainian fruit and vegetable sector.
- 3) A fixed price contract with CIVITTA to conduct a rapid assessment to determine the specific target geographic areas and value chains for AGRO.
- 4) A fixed price contract with Ekvis Studio to create a series of demonstration videos to promote use of SMART technologies in the berry sector.
- 5) A fixed price contract with Top Lead to develop and implement a pilot communication campaign promoting agricultural financial services.

Details on SIF subawards and contracts signed during the reporting period are presented in Annex K Subawards Table.

With support from the Chemonics Grants Department, the SIF team developed the AGRO Subawards and Contracts Manual to guide AGRO's management of SIF subawards and contracts. The manual covers areas such as development, selection, implementation, monitoring and evaluation, and close-out of subawards and contracts for AGRO activities. The SIF team also adapted its systems and developed a variety of documents, templates, and standard processes and procedures for issuing SIF subawards and contracts. Operations and the SIF Director conducted a series of training sessions for AGRO staff on cooperative agreements and subaward processes and procedures.

The RFAs and APSs for subawards and RFPs and RFQs for contracts to partners in Ukraine were developed through technical team discussions of the proposed activities, with the CLA Advisor, GESI Specialist, and ECS, which led to a formal request for funding by the SIF.

AGRO issued several RFAs, APSs, and RFPs in FY 2020 Q4. The table below lists solicitations issued by AGRO through advertising on Facebook and Prostir, and by direct distribution via email to potential applicants and offerors.

<b>Solicitation No. and Name of Subaward/Contract Activity</b>	<b>Task in AGRO FY 2020 IIP</b>	<b>Estimated amount and # of subawards/contracts</b>
APS-01 Confectionary and related food products value chain development program	<b>Task 1.1.4.1.3</b> Confectionary – explore processing capacities and sourcing opportunities for producers from other VCs	15,000,000 UAH for 10 subawards (max. 2,000,000 UAH per subaward)
APS-02 Capacity development of agricultural processing enterprises	<b>Task 1.1.2.2.3</b> Implementation of new models of partnerships between processing companies and suppliers of products <b>Task 1.1.3.2.2.3</b> Improve the model by researching and implementing additional services to farmers	28,000,000 UAH for 8 subawards (in the range of 2.5 to 4 million UAH each)



Solicitation No. and Name of Subaward/Contract Activity	Task in AGRO FY 2020 IIP	Estimated amount and # of subawards/contracts
RFA-05 Food Safety (former Voucher Program) Assistance to MSMEs with implementing provisions of international food safety management systems based on HACCP principles	<b>Task 1.2.3.1.4</b> Design and implement training, information campaigns, and other measures to promote awareness and observance of safety and quality standards	7,000,000 UAH for 2 subawards
RFA-06 Program to improve SME access to organized markets	<b>Task 1.1.5.2.1</b> Improve sales of local (including craft) products <b>Task 1.1.5.2.1.3</b> Support brand development, improved grading and packaging	1,275,000 UAH for 1 subaward
RFA-07 IT Platform to facilitate access to funding	<b>Task 1.2.2.2.1</b> Support development of MSME2Finance platforms, one-stop shops, agri-finance centers <b>Task 1.2.2.2.3</b> Support efforts to assist agri-MSMEs to emerge from the shadow economy by regularizing accounts and records, therefore making them eligible for credit <b>Task 1.2.2.2.4</b> Inform value chain actors of available agricultural finance and instruments, benefits of becoming bankable	6,000,000 UAH for 3 subawards (max. 2,000,000 UAH per subaward)
RFP-02 Production of demonstration videos to promote use of SMART technologies in Ukrainian berry sector and to showcase the lessons learned in the process of sorting and packing fruits and berries for export	<b>Task 1.1.2.1.2.1</b> Optimize processes, improve management decisions and product traceability using IT-SMART management for SMEs <b>Task 1.2.3.1.4</b> Design and implement training, information campaigns and other measures to promote awareness and observance of safety and quality standards	300,000 UAH for 1 contract
RFQ-03 Development and Implementation of a Pilot Communication Campaign Promoting the Sector of Agricultural Financial Services	<b>Task 1.2.2.2</b> Financial literacy and transparency increased <b>Task 1.2.2.2.4</b> Inform value chain actors of available agricultural finance and instruments, benefits of becoming bankable	85,000 UAH for 1 contract
RFP-04 Gender Equality and Social Inclusion (GESI) Assessment	1.5.3.1 Conduct GESI Assessment	2,000,000 UAH for 1 contract

The table below lists anticipated subawards and contracts that have been formally presented to the AGRO SIF team as of the date of this report and will be released in the next quarter.

Solicitation No. and Name of Subaward/Contract Activity	Task in AGRO FY2021 IIP	Estimated amount and # of subawards/contracts
RFA-08 Development of marketing strategies to promote the growth of agricultural SMEs	<b>Task 1.6.1.1.1</b> Develop and implement a marketing strategy for typical local products (7 strategies for certain sales channels have been developed)	3,000,000 UAH for 1 subaward
RFA-09 Development of standard design project documentation for small cheese dairies, meat processing facilities, poultry (except for chicken) service slaughterhouses	<b>Task 1.2.2.2</b> Create opportunities for local value addition in dairy and meat	2,000,000 UAH for 1 subaward
RFA-10 Improving value chains in the meat and meat products sector	<b>Task 1.2.2.3</b> Establish a service slaughterhouse model that would open direct relationship between farmers and processors	2,800,000 UAH for 1 subaward
RFA-11 Winter School for GESI target group	<b>Task 4.1.2.1</b> Winter School for underrepresented groups of farmers	1,600,000 UAH for 1 subaward
RFA-12 Development of a concept to create a national network of Demo Farms, and launch and establish demonstration farms	<b>Task 1.6.2.1</b> Demo-Farmer Project	3,000,000 UAH for 1 subaward
RFP-05 Creation of demonstration videos to disseminate, promote, and root out the experience of using SMART technologies in the animal breeding sector	<b>Task 1.6.2.1.1</b> Production of a series of demo videos (up to ten) to showcase demonstration farms in key AGRO VCs; promotion and full circle demo farm presentations (six farms) based on ARDS experience	400,000 UAH for 1 contract

## VIII. ACTIVITY ADMINISTRATION

### A. Constraints and Critical Issues

There were no constraints or critical issues outside the norm during this reporting period.

### B. Personnel

During the reporting period, AGRO onboarded 39 long-term employees, including 24 who transferred from ARDS.

#	Employee's position	Date of Employment Agreement Execution	Date began work for AGRO
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1.	Irrigation Advisor	April 16, 2020	April 16, 2020
2.	Media Monitor	April 16, 2020	April 16, 2020
3.	Agricultural Markets Development Specialist	April 23, 2020	April 23, 2020
4.	GESI Specialist	May 7, 2020	May 18, 2020
5.	Environmental Compliance Specialist	May 22, 2020	June 1, 2020
6.	Access-to-Finance Advisor	May 27, 2020	June 16, 2020
7.	Communications Specialist	June 12, 2020	June 16, 2020
8.	Agricultural Markets Development Specialist	June 26, 2020	July 1, 2020
9.	Office Manager	June 26, 2020	July 27, 2020
10	Finance and Administration Director	July 30, 2020	August 1, 2020
11	Chief Accountant	July 30, 2020	August 1, 2020
12	Accountant	July 30, 2020	August 1, 2020
13	Junior Accountant	July 30, 2020	August 1, 2020
14	Procurement Specialist	July 30, 2020	August 1, 2020
15	IT Specialist	July 30, 2020	August 1, 2020
16	Administrative and Procurement Assistant	July 30, 2020	August 1, 2020
17	Administrative and HR Assistant	July 30, 2020	August 1, 2020
18	SIF Team Lead	July 30, 2020	August 1, 2020
19	SIF Finance Manager	July 30, 2020	August 1, 2020
20	SIF Manager	July 30, 2020	August 1, 2020
21	SIF Manager	July 30, 2020	August 1, 2020
22	Productivity and Market Access Team Lead	July 30, 2020	August 1, 2020
23	Post-Harvest Processing Advisor	July 30, 2020	August 1, 2020
24	Value Chain Specialist	July 30, 2020	August 1, 2020
25	Supporting Functions Team Lead	July 30, 2020	August 1, 2020
26	Agri-food Sector Services Advisor	July 30, 2020	August 1, 2020
27	Land Reform Team Lead	July 30, 2020	August 1, 2020
28	Land Reform Senior Legal Advisor	July 30, 2020	August 1, 2020
29	Business Enabling Environment Senior Legal Advisor	July 30, 2020	August 1, 2020

30	CLA Advisor	July 30, 2020	August 1, 2020
31	MEL Manager	July 30, 2020	August 1, 2020
32	Communications and Outreach Advisor	July 30, 2020	August 1, 2020
33	Chief of Party	July 30, 2020	August 1, 2020
34	Land Law Advisor	August 28, 2020	September 16, 2020
35	Land Law Advisor	September 21, 2020	October 1, 2020
36	Regional Coordinator in Dnipropetrovsk Oblast	September 21, 2020	October 1, 2020
37	Regional Coordinator in Poltava Oblast	September 21, 2020	October 1, 2020
38	Regional Coordinator in Odesa Oblast	September 21, 2020	October 1, 2020
39	Regional Coordinator in Cherkasy Oblast	September 21, 2020	October 1, 2020

AGRO also hired 15 short-term independent consultants.

#	Employee's position	Date of Agreement Execution	Date work started
1.	Expert on Economic Analysis of Aquaculture Value Chains	June 15, 2020	June 15, 2020
2.	Expert to Develop Apiculture Services for Orchard and Berry Field	July 2, 2020	July 2, 2020
3.	Specialist on the GLOBALG.A.P. Livestock Standard	August 3, 2020	August 3, 2020
4.	Expert on Economic Analysis of Selected Product Groups within Meat Value Chain	August 3, 2020	August 3, 2020
5.	State Agrarian Registry Coordinator in Kharkiv Oblast	August 10, 2020	August 10, 2020
6.	State Agrarian Registry Coordinator in Dnipropetrovsk Oblast	August 10, 2020	August 10, 2020
7.	State Agrarian Registry Coordinator in Donetsk Oblast	August 10, 2020	August 10, 2020
8.	State Agrarian Registry Coordinator in Luhansk Oblast	August 10, 2020	August 10, 2020
9.	State Agrarian Registry Coordinator in Zaporizhzhia Oblast	August 10, 2020	August 10, 2020
10.	State Agrarian Registry Coordinator in Kherson Oblast	August 10, 2020	August 10, 2020
11.	Consultant for the Development of Draft Legislation on the Establishment of Water User Organizations	August 17, 2020	August 17, 2020
12.	Consultant on Development of a Standard Business Plan for an Artisanal Cheese Plant	August 17, 2020	September 1, 2020
13.	Expert on Cooperative Law	August 31, 2020	September 1, 2020
14.	Trainer to provide training to improve the efficiency of consulting services when implementing food safety management systems in accordance with the requirements of international standards	September 8, 2020	September 8, 2020
15.	Expert on Cooperative Law	September 28, 2020	September 28, 2020

### C. Cooperative Agreement Modifications

There were no modifications to the Cooperative Agreement during the quarter.

### D. Status of Deliverables/Milestones

All deliverables due to date have been completed and accepted.

## **E. Geographic Information**

All geographic data is being inserted in the web app.

## **IX. COLLABORATING, LEARNING, AND ADAPTING**

AGRO prioritizes CLA, which allows for a high degree of flexibility to respond to changes in Ukraine's operating environment, adapting lessons learned and ensuring successful Activity implementation. The CLA approach enables AGRO to understand how program implementation is affecting its partners and agricultural business environment and adjust accordingly. This constant dialog is of a special importance during the COVID-19-related disruptions, when the new AGRO Activity has to adapt with no possibility to visit the field. AGRO started its CLA activities by closely engaging stakeholders in planning and moving numerous learning events to online platforms while the quarantine was enforced: Tolokas, seminars, and roundtables to receive feedback from farmers, cross-check experts' estimations, and brainstorm on new ideas.

AGRO has regular staff meetings and daily 20-minute online "stand-ups" within teams to exchange updates; each major event is followed by an After-Action Review; and each quarter is finalized by a range of Pause-and-Reflect sessions, one per each technical/ operations team. Additionally, AGRO launched an online CLA form to harvest lessons learned from its staff members on a permanent basis and a lessons log to keep the lessons and review them during quarterly Pause-and-Reflect sessions.

Starting up a technical assistance activity on the basis of an existing team and organization is a quite different, and generally much easier, exercise than starting up from scratch. However, the switch from one acquisition instrument to another, the larger size of AGRO compared to ARDS, and the need to increase the number of employees has put some pressure on the team. Although very experienced and competent, the staff was in many ways doing twice the work with the same resources, thus proper knowledge management and regular CLA sessions to exchange lessons learned were of a special value.

Management improvements, particularly better documentation of hiring procedures that require technical team participation and the hiring of a dedicated human resources staff member to coordinate hiring, resulted directly from comments made during previous quarters' CLA sessions. The detailed results of the Pause-and-Reflect sessions are available [in the linked report](#)<sup>16</sup>.

Additionally, AGRO trains its staff to understand and implement a systematic approach to market systems development (MSD). As about one third of AGRO employees are new to the MSD approach, all staff members, including the operational and SIF teams, took part in MSD training sessions conducted by EVI from September 28 to October 8. Nine AGRO staff members also participated in the online Market Systems Symposium in June-August 2020. As a result of this, AGRO technical teams prepared MSD Analysis Framework Tools for each AGRO component and VC, which helps to understand the specifics of the market system, opportunities and system constraints, needs and gaps in the system, behaviors and processes that need to change, key outcomes, and select solutions and interventions that

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<sup>16</sup> <https://drive.google.com/file/d/1RvmsK5CNGD6zmmuD9GJw9iaa8ODL4RuC/view?usp=sharing>

better correspond with the required changes to make the market system more resilient and inclusive.

## **X. LESSONS LEARNED**

AGRO carefully examines lessons learned and adapts programming accordingly by dropping the initiatives that do not bring expected results and re-designing those that can be improved. Recently, AGRO cancelled its "Farmer Online" initiative, which was deemed needed in the beginning of the COVID-related lockdown but lost traction at the subaward solicitation stage. The initiative emerged with the closing of local markets at the beginning of the COVID-19 quarantine in Ukraine. The pandemic and economic recession have significantly impacted traditional value chains. The quarantine had a critical impacts on sales, as most markets were closed, movement of people was restricted, and MSMEs faced their usual constraints such as failure to comply with safety and quality standards, small consignments, and lack of a single standard even for one manufacturer (different varieties, lack of cultivation and collection technology, etc.). AGRO's pivoting programming to increase the sales volumes of small food producers by including MSMEs in online sales channels.

AGRO planned to provide two sub-grants to existing and successful online stores in Kharkiv and Dnipropetrovsk oblasts to encourage them to include fresh farm products to their deliveries. It was expected that traders will help farmers improve the quality and safety of their products, improve pre-sale preparation and packaging, and help small producers get into online sales markets. It was assumed that the cities of Kharkiv and Dnipro, both with more than a million inhabitants, could become good sales markets for farm products, unlike smaller cities where most people grow vegetables and fruits themselves or get farm products from their rural relatives.

By the time the competition was announced in June, the GoU had begun to quickly weaken quarantine restrictions, and food markets were gradually resumed. Some of the online stores that sprung up in the wake of quarantine restrictions stopped their work without achieving self-sufficiency. Small producers' interest in online sales dropped dramatically as the new sales channel requires significant additional effort to properly build the chain and adjust the quality of products. Moreover, in March 2020, the Verkhovna Rada adopted amendments to Law #128-IX providing for the obligatory use of transaction registers by individual entrepreneurs carrying out certain risky activities, such as selling goods, via the Internet<sup>17</sup>.

All these factors influenced competition. AGRO received six applications from potentially interested entrepreneurs. The selection committee rejected all of them because they did not meet the goals of the project and other criteria, such as: the existence of a valid online food store, at least one year of online food trade experience, and co-financing for the project.

AGRO's lessons learned:

1. Existing online stores are not interested in farm food trading, except in Kyiv, which has better delivery infrastructure and more customers with high income.
2. Many regional online stores closed after the quarantine restrictions were removed.

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<sup>17</sup> <https://zakon.rada.gov.ua/laws/show/128-20#Text>

3. Online trade of farm products is carried out mainly by private entrepreneurs who use the simplified tax system, which significantly limits opportunities for business growth and development, as well as attracting external funding.
4. Internet trade in food products remains a poorly developed format, except for large retail chains.

AGRO cancelled this initiative and plans to consider the possibility of implementing it after a detailed analysis of the key constraints and a search for growth points for this form of trade in farm products.

Another lesson learned is related to an initiative on technological and institutional support for small craft processing enterprises. AGRO announced a competition to design model documentation for small-scale entrepreneurs to establish and operate artisan cheese workshops. After considering the applications received, the tender committee concluded that the applications did not meet the criteria and cancelled the tender.

AGRO learned that design organizations were not interested in paperwork for the sake of this relatively small task. AGRO has expanded the scope of work and included the task to develop project documentation for meat processing and small slaughterhouses for poultry. This made the RFA more attractive to potential participants and AGRO anticipates awarding a subaward in FY2021 Q1.

## **XI. PLANS FOR THE NEXT REPORTING PERIOD**

Please see the plan of activities for October-December 2020 in Annex K.

## **XII. ANNEXES**

### **A. Deliverables**

This annex lists only materials that AGRO is obligated to provide to USAID under its Cooperative Agreement. Sub-awardees' deliverables to AGRO are listed in Annex B below.

- *Agriculture Growing Rural Opportunities (AGRO) Activity in Ukraine: Initial Implementation Plan* (Kyiv, Ukraine: AGRO Activity, April 2020).
- *Agriculture Growing Rural Opportunities (AGRO) Activity in Ukraine: PD-15 Assessment* (Kyiv, Ukraine: AGRO Activity, February 2020). Mission approval received in April.
- [Geoportals](https://geoportalua.com/ua/otg)<sup>18</sup> for 61 CCs in six oblasts.
- *Agriculture Growing Rural Opportunities (AGRO) Activity in Ukraine: Implementation Plan FY2021*

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<sup>18</sup> <https://geoportalua.com/ua/otg>



## B. Major Activity Documents

- On August 27, the GLOBALG.A.P. NTWG in Ukraine approved the National Interpretation of Basic Regulatory Documents and GLOBALG.A.P. Modules, which outline requirements for agricultural producers: Crop production, Fruits/Vegetables, version 5.2. AGRO predecessor ARDS helped to translate and adapt the requirements, and with AGRO support the documents were sent to the GLOBALG.A.P. head office on August 28 for final approval and publication. After publication, the National Interpretation of Ukraine GLOBALG.A.P. standards will become official and equal to other national interpretations.
- Economic analysis of the value chains within three major product groups of the meat production sector (beef, pork, lamb).
- Analytical study of the milk production market in Ukraine in the global crisis and pandemic.
- Major contribution to Law of Ukraine #2370, On the national infrastructure of geospatial data, adopted by the Verkhovna Rada on April 13, 2020.
- Major contribution to Law of Ukraine #2280, On amendments to the Land code of Ukraine and other legislative acts regarding land-use planning, adopted by the Verkhovna Rada on June 17, 2020.
- Drafted amendments to the Procedure for Conduct of the State Land Cadaster, which had been approved by CMU Resolution #1051 of October 17, 2012. Changes to the procedure were approved by CMU Resolution #455 of June 3, 2020.
- Created geographic database of Shakhivska CC resources (Donetsk Oblast) and developed an action plan published on the [CC geoportal](#)<sup>19</sup>.
- Analysis of Ukrainian legislation on pledge (mortgage) of agricultural land, done at the request of the NBU.
- Draft Law On Agricultural Service Cooperation, an explanatory note, and analysis of the regulatory impact by this draft law, developed at the request of the MDETA.

## C. Public Outreach Documents

During the year, AGRO developed, printed, and distributed a number of publications. Electronic versions of the listed documents below were made public on [issuu.com](#)<sup>20</sup>.

- [Leaflet on farmer financing](#), developed in partnership with the All-Ukrainian Association of Communities. 5,000 copies of the leaflet distributed in consolidated communities.

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<sup>19</sup> <https://map.geoportalua.com/ua/otg/1422087700/>

<sup>20</sup>

[https://issuu.com/ukraineards?issuu\\_product=header&issuu\\_subproduct=document\\_page&issuu\\_context=link&issuu\\_cta=profile](https://issuu.com/ukraineards?issuu_product=header&issuu_subproduct=document_page&issuu_context=link&issuu_cta=profile)

- Infographics on the advantages of DL [#2194](#); infographics developed in cooperation with the StateGeoCadastre and World Bank
- Infographics on the advantages of DL [#3295](#); infographics developed in cooperation with the StateGeoCadastre and World Bank
- Set of materials on [Rules for Agricultural Enterprises During COVID-19](#) (7,000 copies)
- [Guidelines on Fodder Quality Indexes](#) developed with the Ukrainian Stockbreeders' Association. The guidelines detail 35 quality indexes and describes how to analyze prepared fodder, which will help cattle breeders and veterinarians understand and interpret laboratory feed quality analyses and prepare more balanced feed diets to improve milk productivity.
- [Effective use of bees for pollination of gardens and berries](#) brochure (1,000 copies)
- [Webinars of ARDS Project](#) (1,000 copies)
- [Materials of practical seminars](#). The StateGeoCadastre. Rebooted 2020 (1,100 copies)
- [Communication tips](#) flyer (1,200 copies)
- [Best Practices in Raw Milk Production: Experience from Association of Milk Producers](#)

#### D. Major Events

Due to COVID-19 pandemic and quarantine restrictions, AGRO held minimum in-person events starting from March 2020. Events were held online through various software and platforms.

- Three anti-crisis conferences: fruits and vegetables, berry, and dairy (April)
- Fruit and Berry Toloka (May 5): AGRO engaged about 100 participants, including the president of the Berry Association of Ukraine, key fruit and berry producers, and exporters from western and eastern Ukraine to talk about current internal market conditions, consumer demand, and export opportunities.
- Dairy Toloka (June 2): AGRO engaged 60 dairy sector stakeholders, including family farms, associations, cooperatives, and SMEs.
- [Meat Toloka](#) (June 26): AGRO engaged almost 40 meat producers and processors.
- Research presentation "Analysis of value chains in their key product groups of the meat sector (beef, pork, lamb)" (September 24): AGRO engaged 40 meat sector stakeholders, including family farms, associations, cooperatives, and SMEs.
- [Raising Piglets](#), webinar with Ivan Bidiyak (April 2); 388 views
- [Efficient Calf Rearing in Households](#), webinar with Olha Loza (April 5); 210 views
- [Effective Feeding Technologies in Cattle Breeding](#), webinar with Vitaliy Shkarban and Olha Loza, Ava Group experts (June 5); 155 views
- Six webinars on beekeeping as a service and the role of the industry in the development of gardening and berry growing (April-May)
  - [American experience in pollination of fruit and berry crops](#), with William Lord, cooperative consulting service expert and owner of Woodleaf Honey Company (USA) (April 22); 558 views
  - [Pollination of crops and reduction in the number of pollinators in Europe](#), with Robert Khlebo, Ph.D., Associate Professor, Head of the Department of Small Animal Husbandry at Slovak Agricultural University (Slovakia) (April 29); 278 views

- [Practical experience of garden pollination with the use of honey bees](#), with Denys Soldatov, General Director of Pcheloproduct LLC, Vice President of the Union of Beekeepers of Ukraine, Chairman of the Union of Beekeepers of Kharkiv Region (May 6); 331 views
- [Current situation and prospects of horticulture and berry growing in Ukraine](#), with Iryna Kukhtina, President of the Berry of Ukraine Association, and Leonora Adamchuk, Ph.D, Associate Professor of the National University of Life and Environmental Sciences of Ukraine (May 13); 292 views
- [World trends in pollination and practical experience of pollination of blueberries with the help of honey bees in Ukraine \(Zhytomyr region\)](#), with Leonora Adamchuk, Ph.D., Associate Professor of the National University of Life and Environmental Sciences of Ukraine; and Antonina Vasitska, beekeeper (May 20); 287 views
- [Experience of pollination of fruit and berry crops in production conditions](#), with Eugene Leiter, agronomist-consultant of fruit, berry, and nut crops, beekeeper; and Leonora Adamchuk, Ph.D., Associate Professor of the National University of Life and Environmental Sciences of Ukraine (May 27); 194 views
- Training on "Improving the efficiency of consulting services for the implementation of food safety management systems in accordance with international standards" (September 16-18): AGRO engaged 29 consultants
- Remote discussions of the new cash valuation methodology with the SLC Service and 24 oblast SLC Departments (April).
- Remote discussion of the new cash valuation methodology with Local Self-Government Associations and Land Management and Land Assessment Associations (April).
- Remote training for the SLC Service on draft legislation and communication skills (April).
- Four remote seminars for Regional State Cadastre Service Departments with CCs in 12 oblasts (April).
- Remote public discussions on spatial development plans for Shahovka CC (May).
- Four remote seminars for Regional State Cadastre Service Departments with CCs in 12 oblasts (May).
- Remote meetings of 61 CC Working Groups on Land Management, with CCs, local businesses, Regional State Administration, State Cadastre Service, and AGRO (June).
- Remote trainings for CC rural land managers on land management in 18 oblasts, six groups with 15 lectures each (June).
- 10-session training program for 40 CC leaders, "Increasing the institutional capacity of consolidated communities in developing small- and medium-sized enterprises in the community and preparing local development projects," (May-June).
- 10-session training program "Increasing the institutional capacity of community enterprises in applying business approaches to managing a community enterprise and diversifying activities by launching new lines of business activity."
- The first round of online trainings for 17 CCs as part of piloting the State Agrarian Register (August).
- Online training on correcting cadastral errors through the State Agrarian Register for operators in 34 CCs, conducted by AGRO, the World Bank, and the All-Ukrainian Association of Communities as part of the second wave of the State Agrarian Register pilot. (September).
- Public discussion on the prospects for developing Shakhivska CC (September).

- Discussion with about 40 experts from the National University of Life and Environmental Sciences of Ukraine on the methodology of normative-monetary land valuation (September).

## E. Social media

Social media type	Key measurements	Q2 2020 Mar 2020	Q3 2020 June 2020	Q4 2020 Sept 2020	Growth rate
Facebook	Number of followers	8,509	9,121	9,659	↑105%
	Project page lifetime total likes	6,836	7,320	7,776	↑106%
	Daily reach of page posts (average)	1,860	4,208	11,904	↑282%
YouTube	Subscribers	605	756	977	↑129%
	Total views	22,916	35,470	44,460	↑125 %

During FY 2020, AGRO published videos on its [YouTube channel](#)<sup>21</sup> and [Facebook page](#)<sup>22</sup>:

- [Implementation of a geoportal in Verbivska CC, Dnipropetrovsk region](#); 973 views on YouTube, 1,277 reach on Facebook
- [Discussion of a new methodology for regulatory monetary valuation with associations](#); 137 views
- [GeoDigital Conference 2020](#); 791 views
- [SMART Bee Pollination and Plant Protection Services](#); 419 views on YouTube, 1,436 reach on Facebook
- [Online meetup](#) on modern IT-tools for agricultural financing; 1,400 views on Facebook
- [Online meetup](#) on financing, advantages for banks, and money for farmers; 1,200 views on Facebook
- [Online meetup](#) on profitable financing and modern technological decisions that can help to achieve it; 1,400 views on Facebook
- [Video success story](#) “Little stories that change lives”

The [media monitoring reports](#)<sup>23</sup> list publications about AGRO activities in FY 2020.

## F. Success stories

<sup>21</sup> <https://www.youtube.com/channel/UCgFyiAg82GneQrZaiq0jfGQ/videos>

<sup>22</sup> <https://www.facebook.com/usaaid.agro/>

<sup>23</sup> <https://drive.google.com/drive/folders/1WEb-CvkibRNzxCfo8GqtkC0LrF6bZ7Jr>

## Fattening cattle from households as a successful business project



*Each young calf has its own house, co-invested by USAID*

Photo by USAID Agriculture and Rural Development Support project

*"It was a very difficult project, but now finally got good results. Lebid Agro has signed a contract with a leading national retail network to supply 1,200 head of cattle per year with a fixed sale price, which ensures our business will be profitable," says Dmytro Serhienko. "We have already delivered the first batch of bulls. The cattle yielded 52% fresh meat, which is a very high figure for dairy bulls weighing about 400 kg. The retailer transported the cattle away, and they were sold at a price higher than average on the market!"*

Lebid Agro LLC is an advanced agricultural cattle breeding family farm managed by two enthusiasts, Dmytro Lebid who nurtured the idea of cattle breeding, and Dmytro Serhienko, his son-in-law who is experienced in big agricultural projects. Their family business idea emerged in 2008. They wanted to reconstruct an old dairy farm for 1,200 cows, but the project required significant capital investment, and numerous meetings with potential investors were not successful: milk processing facilities in the region had no wish to invest significant funds in projects with a long payback period.

Meanwhile, households in Ukraine slaughter about one million newborn calves per year since they fail to raise bulls qualitatively and consider this process unprofitable.

In 2012, Dmytro Serhienko, as a leader of the agricultural production division of a group of dairy companies, visited the U.S. to study the fattening model based on open feedlots. This experience laid the foundations for Lebid Agro dairy farm's technological concept.

In 2019, the USAID Agricultural and Rural Development Support (ARDS) Project developed a business model for industrial fattening of dairy calves from family farms, based on FAO methodology, and co-invested with Lebid Agro to pilot the model. The first stage of the Lebid Agro facility involves raising up to 600 cattle simultaneously, from infancy to 12 months of age.

"It was a very difficult project, but we finally got good results. Lebid Agro has signed a contract with a leading national retail network to supply 1,200 head of cattle per year with a fixed selling price, which ensures our business will be profitable," says Dmytro Serhienko. "We have already delivered the first batch of bulls. The cattle yielded 52% fresh meat, which is a very high figure for dairy bulls weighing about 400 kg. The retailer transported the cattle away, and they were sold at a price higher than average on the market!"

Lebid Agro will purchase 100 dairy bulls from small- and medium-sized farms every month, investing an additional 3 million UAH in their capital investments.

During 2021, Lebid Agro plans to invest another 8 million UAH in the livestock farm and increase the number of young animals to 2,500 per year. According to the head of the Ostroh Regional State Administration Lyudmila Kozak, opening the site increases jobs and additional fees to the district budget, and will stimulate the development of individual livestock in family farms.



# Milking automation makes rural women's lives easier



Photo by VAK Monastyrshchensky

*Kateryna Tytarchuk is one of 50 rural women part of Cooperative Monastyrshchensky who received a milking machine with USAID support*

Kateryna Tytarchuk is 62. She lives in the village of Knyazha Krynytsia, Monastyrshche rayon, Cherkasy Oblast. Like many of her neighbors, she keeps cows, and it takes her about an hour to milk all three of them. Traditionally, the hard manual labor of milking cows has been exclusively a woman's job in rural Ukraine. Over the years, the hands of these rural women become physically injured from the strenuous work. "It's hard sometimes, but it's a bit of support for me to survive," says Kateryna.

76% of cows in Ukraine (1,465,000 as of July 1, 2019) are in private households. 70% of raw milk from these households is Grade 2 (low-quality and below EU standards) and cannot be used in higher value-added production and is sold at very low prices. New legislation will soon ban second-grade milk from processing all together.

Milking automation at different levels, from individual milking machines to mobile milking parlors for several cows, would be a simple solution. However, for an individual family in a village that owns one or a few cows, it is financially impossible to purchase the necessary equipment on their own. Without state support for these households, one solution could be to merge farms into dairy cooperatives and purchase dairy equipment for sharing, which allows for high quality milk production.

The USAID Agriculture and Rural Development Support (ARDS) Project and its follow-on Agriculture Growing Rural Opportunities (AGRO) Activity, in partnership with the Women's Agricultural Service Cooperative VAK Monastyrshchensky (inclusive of up to 800 members, of whom about 60% are women), launched a program to introduce labor-saving techniques and improve the life of the cooperative's rural women members. USAID granted 50 individual milking machines and 1 mobile milking parlor to the cooperative, which allows several cows to be simultaneously and automatically milked in pastures and provides high quality milk. The cooperative also co-invested and purchased one more mobile milking parlor by itself.

Kateryna learned from a local milk collector about the possibility of joining the initiative. The automatization of cow milking made her life at least a bit easier. "My arms will get a little rest. The milking machine is a great support for me, milking is much faster now. And the quality of milk is better. I strongly recommend that cow owners join the cooperative. After all, this is an opportunity to use all the services and programs they suggest," said Kateryna, sharing her first impressions.

Thanks to the availability of a mobile milking parlor, rural women no longer need to go to pastures every day to milk their cows. The mobile milking parlor allows for non-contact milking in the pasture and immediate delivery to the milk collection point or processing plants. As a result, the milk obtained due to the innovative milking vehicle has a high-quality index.

Finally, the milking machines not only increase milking productivity, quality, and revenue, but also allow owners who currently produce Grade 2 grade milk to remain within the market and continue to have income from selling milk after the new and more stringent milk requirements come into force on January 1, 2021.

You can offer farmers a lot of high-tech solutions and, indeed, change lives and markets. But sometimes, women need relatively simple things for their lives to become easier right away.

## G. Performance Data Table

Nº	PERFORMANCE INDICATOR	Reporting Frequency	Period Target	Period Actuals	Actual vs Target, %
1	Value in UAH of new private sector investment in USAID-assisted agricultural MSMEs, million	Annually	123	116	94%
2	Number of new USAID-assisted rural investment projects implemented that benefit agricultural MSMEs	Quarterly	0	0	-
4	Number of farmers and others who have applied improved technologies or management practices with USG assistance	Annually	300	22	7%
6	Number of times USG-assisted service providers perform new or improved services for agricultural MSMEs	Quarterly	1500	1266	84%
7	Number of beneficiaries who have access to improved irrigation systems	Bi-annually	0	0	-
8	Number of supported MSMEs accessing finance	Quarterly	100	177	177%
9	Number of agriculture and rural development-related rules and regulations advanced with USG assistance	Bi-annually	5	5	100%
11	Hectares of land opened for transparent public view with USG assistance, million hectares	Bi-annually	0.03	0.047	157%
12	Number of communities implementing improved land management techniques as a result of USAID assistance	Bi-annually	60	61	102%
13	Percentage of female participants in USG-assisted programs designed to increase access to productive economic resources (GNDR-2)	Quarterly	45%	43%	96%
14	Percentage of women who report improved economic well-being at the household level as a result of USG assistance	Annually	10%	25%	250%
15	Percent of USG-assisted organizations with improved performance (CBLD-9)	Annually	25%	64%	256%

## H. Sub-Awards Table

AGRO issued the following subawards and contracts under SIF in the fourth quarter of FY 2020:

USAID Technical Office	USAID Award No.	IP Name (Prime)	Project/Activity	Sub-recipient or Contractor Name	Start Date	End Date	Description	Webpage	Development Objective
USAID/ Ukraine Regional Contract Office	720121 20CA00 001	Chem onics	AGRO/ Contract	CIVITTA	1/9/2020	3/27/2020	Rapid Assessment Report	<a href="https://civitta.com.ua/">https://civitta.com.ua/</a>	To determine the specific target geographic areas and value chains for implementation, the Contractor will conduct a rapid assessment to advise AGRO on the selection of possible value chains and geographic focus areas for project assistance based on reliable data, reasoned analysis, and an understanding of the environment in Ukraine, particularly the political and economic conditions. The findings of this research will be presented to USAID for approval of geographic areas and value chains that will be supported by AGRO and will as well inform the Initial Implementation Plan exercise.
USAID/ Ukraine Regional Contract Office	720121 20CA00 001	Chem onics	AGRO/ Contract	Ekvis Studio	9/10/2020	10/30/2020	Production of demonstration videos to promote use of SMART technologies in Ukrainian berry sector and to showcase the lessons learned in the process of sorting and packing fruits and berries for export	<a href="http://ekvis.com.ua/">http://ekvis.com.ua/</a>	The Contractor will create a series of demonstration videos which will showcase the success and profitability of the use of SMART technologies in the berry sector and potential benefits of the SMART technologies for other partner households as well as to share and promote successful practices of preparing, sorting, and packaging blueberries and apples for export. The latter will showcase lessons learned by producers and export trading companies regarding export market demands, processes of preparing, sorting, and packaging blueberries and apples for export.
USAID/ Ukraine Regional Contract Office	720121 20CA00 001	Chem onics	AGRO/ Contract	Top Lead	9/28/2020	11/10/2020	Development and Implementation of a Pilot Communication Campaign Promoting the Sector of Agricultural Financial Services	<a href="https://toplead.com.ua/">https://toplead.com.ua/</a>	The Contractor will develop and implement a pilot communication campaign promoting the sector of agricultural financial services (working title "Month of Agricultural Fintech") among agricultural micro, small, and medium enterprises (MSMEs).



USAID/ Ukraine Regional Contract Office	720121 20CA00 001	Chemo nics	AGRO/ Sub- award	Ukraine n Berries Associati on	9/30/202 0	9/30/2021	Program on introducing modern technologies and improving productivity and products quality in Ukrainian fruit and vegetable sector	<a href="http://uaberries.com.ua/">http://uaberries.com.ua/</a>	The purpose of the subaward is to improve the productivity and added value of products in the fruit and vegetable sector and mitigate the negative environmental impacts through implementation of new technologies and international quality and product safety standards, efficient and safe use of pesticides.
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## I. Future Activities/Events Table

This table presents major planned activities/milestones for FY 2021 Q1.

Activity	Time
<b>Value Chains: Fruits and Vegetables</b>	
Register participants and develop a plan of educational and informational activities for stage 1 of Sub-Agreement No. AGRO-S1-01 Implementation of Modern Technologies and Improving the Productivity and Product Quality in the Ukrainian Fruit and Vegetable Sector	October 2020
Hold 8 educational and training events (workshops, trainings) and 3 webinars for managers and experts of SMEs, farming enterprises, and family operated farms (MSMEs) – fruit and vegetable producers	November-December 2020
Hold 1 study tour in one of the target oblasts of Ukraine to learn best practices for implementing new technologies in growing fruit and vegetable produce	December 2020
Provide 200 consultations on increasing productivity and efficiency of fruit and vegetable production	November-December 2020
Develop a model for creating centers for agronomic scouting services	November-December 2020
Develop a business model for the centers of agri-competencies	October-December 2020
Populate the online platform BEESAGRO to form a bee pollination services market	October-December 2020
Develop methodological recommendations for determining the economic efficiency of using bees to pollinate orchards and berries	October-November 2020
Develop methodical recommendations on safe use of plant protection products when using bees to pollinate orchards and berries	October-November 2020
Organize a summarizing All-Ukrainian online scientific and practical conference on “The Efficiency of Bee Pollination for Orchards and Berries”	November 10, 2020
Select projects and start partnership models between fruit and vegetable processing enterprises and their suppliers (APS 02)	October-December 2020

<b>Value Chains: Meat and Dairy</b>	
Register participants and finalize the schedule for stage 1 of Sub-Agreement No. AGRO-S1-05 Program on introducing modern technologies and improving productivity and products quality in Ukrainian animal breeding sector	October 2020
Training activities for Sub-Agreement No. AGRO-S1-05 Program on introducing modern technologies and improving productivity and products quality in Ukrainian animal breeding sector	November-December 2020
Create demonstration videos and disseminate experience implementing SMART technologies in animal feeding	October-November 2020
Distribute ARDS experience in developing milk aggregation centers	October-December 2020
Announce and select subaward projects for creating/developing slaughter services for big and small cattle, pigs, and poultry (except chicken) (RFA 10)	October-December 2020
Develop and start disseminating standard business plans for creating craft cheese production shops	October-December 2020
Announce and select subaward project for RFA 09 Development of standard design project documentation for small cheese dairies, meat processing facilities, and poultry service slaughterhouses	October-December 2020
Select project and start implementing APS-02 Implementation of partnership models between meat and dairy processing enterprises and their suppliers	October-December 2020
<b>Value Chains: Confectionary and Craft Products</b>	
Continue implementing the 3-stage program for SMEs: training, consulting, co-investment.	October-December 2020
Pre-application workshop	October 13, 2020
Due date for round 2 submission of concept papers	November 2, 2020
Program to engage women and underrepresented groups into the Confectionary and Craft Products VC (GESI); explore needs and design co-financing program	October-December 2020
Clubs of Local Confectionary & Craft Producers (regional or inter-regional clubs).	October-December 2020
Develop models for a Club of Local Confectionary & Craft Producers and a School of Confectionary and Craft Products.	October 2020
Information and promotional campaigns to promote confectionary and craft products	November-December 2020
<b>Value Chain: Aquaculture</b>	
Finalize and present economic analysis of the aquaculture VC	October 2020
Working group meeting with pond tenants on the analysis of problematic issues in aquaculture lease relations	October 2020
Working group meeting with local authorities on the analysis of problematic issues in aquaculture lease relations	November 2020
Working group meeting with experts on the analysis of problematic issues in aquaculture lease relations	December 2020
<b>Value Chain: Poultry (other than chicken)</b>	
Select and implement projects to develop poultry slaughterhouses (RFA 10)	October-December 2020
<b>Market Access of Ukrainian Agricultural SMEs Increased</b>	
Implement the program Development of marketing strategies to promote the growth of agri-SMEs (RFA 08)	November-December 2020
Implement the program to hold local craft product fairs	December 2020
Develop and test an agricultural producers club model	October-December 2020

Search for partners and develop a business model for joint production facilities	October-December 2020
Develop a business model for a cold chain pilot project among the submitted applications	October-December 2020
Demo Farm Project (RFQ-12)	November 2020-October 2021
<b>Supporting Functions</b>	
Pilot communication campaign "Month of Agricultural Fintech" to promote the agricultural financial services sector among agri-MSMEs	October 2020
Complete the competition for three subawards to web-based platforms companies, which can demonstrate their leadership skills and capacity to implement modern IT solutions aimed at improving the financial infrastructure by developing and operating online solutions and IT platforms that would facilitate access to funding for agri-MSMEs	October 2020
Develop an Action Plan for the Strategy of Irrigation and Drainage in Ukraine until 2030, in cooperation with the GoU and Associations and advocate for its adoption	October 2020
Online seminar "National Interpretation of GLOBALG.A.P. Basic Regulatory Documents and Modules for Agricultural producers - Crop production - Fruits / Vegetables"	November 2020
Round table (online/offline) "Mechanisms and ways to solve problems of increasing control and responsibility for food safety"	November 2020
Develop DL on Water User Organizations in cooperation with the GoU and Associations and advocate for its adoption	October-December 2020
Develop amendments to laws and bylaws on Irrigation Reform (amendments to the Water, Tax, Land Code, the Law on Land Reclamation, the Law on Pipeline Transport, and others) in cooperation with the GoU and Associations and advocate for their adoption	October-December 2020
Present innovative solutions in the vegetables, fruits, and berries sectors	December 2020
<b>Rules and Regulations</b>	
Prepare a communication plan and information campaign, and implement it in cooperation with the MDETA, StateGeoCadastre, World Bank, and USAID TCA	October-December 2020
Cooperate with the Parliament and Associations to advocate adoption of DLs on Land Reform for their (DLs #2194, #3295)	October-December 2020
Develop land legislation bylaws for implementing the adopted laws	October-December 2020
Prepare infographics on what should be expected from adoption of DLs #2194 and #3295	October 2020
Prepare video on advantages of adopting the draft laws	October-November 2020
Pilot project on agrarian registry in cooperation with the World Bank	October 2020
Q&A session for 10-20 sectoral journalists on the advantages of DLs #2194 and #3295	October-November 2020
Meeting of the Donor Council's Sectoral Working Group	October 23, 2020
Present the methodology and results of land verification for land inventory to the World Bank and StateGeoCadastre	October 2020

Present the results of the pilot project on the State Agrarian Register in six oblasts to the World Bank, MDETA, and StateGeoCadaastre	November 2020
Meetings with agricultural producer associations, local self-government associations, and trade unions on advocacy for adopting the land laws	October-December 2020
Conduct a legal analysis of the legislative initiatives identified as a result of monitoring and prepare proposals for improving or alternative drafts of regulatory acts	October-December 2020
Monthly regional and national round tables “Support SGC in developing customer-service orientation”, in cooperation with StateGeoCadaastre	December 2020–March 2021
National-level information campaign to communicate the major benefits of land reform to all residents of Ukraine (residents of targeted cities with a population of one million or more, landowners, agricultural producers)	November-December 2020
Advocate adoption by the GoU of a new methodology for normative monetary valuation of lands	October 2020
National-level information campaign to communicate the major benefits of land reform to all residents of Ukraine (residents of targeted cities with a population of one million or more, landowners, agricultural producers)	November-December 2020
GESI assessment	October–December 2020